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Reaction to Higher Rates: It's Not a 'Normal Time'

By Lawrence Malkin
International Herald Tribune

NEW YORK — With the Federal Reserve Board's having finally yielded to Wall Street's craving for firm and steady interest rates, calm returned Wednesday to bond and stock markets, and money began moving against the dollar.

Normally, an increase of half a percentage point in interest rates like the one announced Tuesday by the central bank would attract money to dollars, "but these are not normal times," said David Rolley, international economist at DRI/McGraw Hill.

Instead of moving smartly higher the morning after, the dollar actually dropped about a pfennig against the Deutsche mark, to DM 1.6715, and about half a yen, to 103.80 yen, and then spent the rest of the day drifting. (Page 10)

Stock and bond markets showed little reaction.

Currency traders said some of this could be explained by speculators who had bet on a dollar bounce; many dumped their dollars when the money failed to perform under the stimulus of higher rates in the United States and lower rates in Germany.

The long-term outlook for the dollar is still generally seen as healthy later this year, but traders rarely look that far ahead. Mr. Rolley said that the Fed might tighten again later this year, and that at some point investors would wake up, realize the U.S. economy and interest rates were still attractive and move back to Wall Street — but not now.

Currency markets are still wary that the U.S. administration's tactics against Japan include a lower dollar to make Japanese exports more expensive. The Fed's indication that it was finished raising interest rates for now meant that if the U.S. Treasury needs to prop up the dollar again with market intervention, it cannot count on the Federal Reserve to support it with higher

See MARKETS, Page 5

Luciano Mellace-Reuters

Prime Minister Silvio Berlusconi listening Wednesday while Italian Senate debated before a vote of confidence in his government.

Berlusconi Wins Crucial Confidence Test in Italy

159-to-153 Senate Vote Gives Him Go-Ahead to Push Political Agenda

By William Drozdiak
Washington Post Service

ROME — Prime Minister Silvio Berlusconi survived his first major political test on Wednesday when his week-old conservative government won a crucial vote of confidence in the Senate.

The government victory, by a vote of 159 to 153, was achieved with the support of several life senators, including Francesco Cossiga, a former president, and Gianni Agnelli, the Fiat chairman. There were two abstentions and several senators left the chamber to reduce the quorum, thus allowing Mr. Berlusconi to win the vote.

The triumph in Italy's upper house will allow Mr. Berlusconi, 57, to press ahead with an ambitious free market vision for Italy that includes the promise of lower taxes, a million new jobs, a leaner bureaucracy and a government cleansed of corruption.

A defeat for Mr. Berlusconi's government would have thrown Italian politics into turmoil and undoubtedly led to a new election, less than two months after an election in which voters banished the corruption-ridden Christian Democrats and Socialists who had dominated governments for four decades.

Mr. Berlusconi's Forza Italia party and its two governing partners control only 156 seats in the 326-seat Senate. The government is assured of a similar endorsement later this week by the 630-seat Chamber of Deputies, where it enjoys a substantial majority.

Mr. Berlusconi had earlier rejected opposition calls to drop the neofascist National Alliance from his cabinet, telling the Senate that to do so would betray the will of voters who gave his rightist Freedom Alliance an overwhelming victory in the March elections.

"A majority of Italians have established with their vote that this coalition has the honor and the duty to govern this republic," Mr. Berlusconi said. "For a new majority, new elections would be necessary."

During the Senate debate, Mr. Berlusconi emphasized his intention to pursue moderate policies and to sustain Italy's foreign commitments, while trying soothe worries abroad over the presence in his cabinet of five ministers from the neofascist National Alliance.

Mr. Berlusconi acknowledged that his populist governing coalition was a "radical innovation" that has been perceived by Italy's partners "in some respects with a certain justifiable anxiety." But he insisted that all parts of his governing alliance respected "the choice of democracy as the binding rule and supreme value."

Despite the alarm in foreign countries, the role of the National Alliance has not evoked much controversy in Italy. Neofascists have been represented in Parliament since the war, and even leftist opponents do not consider them to be a threat to the country's democratic institutions.

The National Alliance leader, Gianfranco Fini, calls his party a "postfascist" movement unique to Italy that will have nothing to do with Europe's other extreme-right parties, such as

See ITALY, Page 2

NATO to Grant Russia Privileged Relationship

Broader Than Partnership for Peace

By Craig R. Whitney
New York Times Service

In a concession to Russian pride, NATO ambassadors in Brussels agreed Wednesday that the alliance's relationship with Russia could be broader than the Partnership for Peace offered to all formerly Communist-ruled countries in Eastern Europe and the former Soviet Union, officials said.

Russia, unlike Poland, Hungary, the Czech Republic and many other countries, has repeatedly postponed formal acceptance of the Partnership, which President Bill Clinton and other leaders proposed in January after Russia made clear it would regard full NATO membership by East European countries as a threat to its own security.

President Boris N. Yeltsin said in Germany last week that Russia expected special treatment within the Partnership befitting its status as a nuclear superpower, and would explain what it wanted when Defense Minister Pavel S. Grachev visited Brussels next Tuesday and Wednesday to explain the new Russian military strategy.

A spokesman in Brussels said that Russia was still expected to agree soon to take part in the Partnership. But, he said, "The discussion today reflected the strong view that there should be scope in the broader Russian-NATO relationship for dialogue and cooperation that reflects the role and the importance of Russia in European stability and security."

Another allied official said, "A substantial dialogue is possible, but it's not a substitute for Russian participation in the Partnership for Peace." Additional considerations given to Russia would be made known to the other members of the Partnership, officials said.

A senior NATO official explained:

"Clearly, as befitting their status, there needs to be a relationship with Russia that reflects pragmatic questions — they are a nuclear power, for instance, and they are involved in the new diplomatic contact group on Bosnia." But, he said, this would be in addition to, not in place of, Russian participation in the Partnership.

The North Atlantic Treaty Organization unveiled a planning cell at its European military headquarters in Mons, Belgium, last month, where countries in the Partnership can station a handful of officers to work out arrangements for joint military exercises and planning activities with the allies.

NATO is also building permanent offices at its Brussels headquarters for Russian, Central Asian, and East European officials to develop a continuous political dialogue with the alliance.

German diplomats in Bonn said that Mr. Yeltsin had made clear during his visit last week that domestic political pressures were mounting on him to preserve diplomatic face and stature for Russia.

Chancellor Helmut Kohl bowed to Mr. Yeltsin's demand to drop plans for a ceremony on the departure of Russian troops from Germany at the end of August in Weimar, near the Nazi concentration camp at Buchenwald, where the Red Army briefly held political prisoners after World War II. Instead, a ceremony will be held in Berlin.

The Germans also supported Mr. Yeltsin's demand for Russia to become a full member of the group of the world's most powerful industrial democracies after the next meeting of the Group of Seven in Naples in July.

Foreign Minister Klaus Kinkel of Germany said Wednesday: "I am worried about an isolated Russia that is more in search of a new identity after losing its world power status. Russia has become much more sensitive."

In addition to setting up a framework for joint training exercises and exchanges of information about military doctrine and standards, the partnership also offers consultation with NATO for any partner who perceives "a direct threat to its territorial integrity, political independence, or security."

Easing Up on Tokyo? U.S. Aides Say 'No'

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — Senior American trade officials, on the eve of key talks with their Japanese counterparts, suggested Wednesday that their policy toward Japan was unchanged and sought to play down recent White House comments that a softening may be under way.

The remarks by two officials were largely off the cuff and did not appear to represent a coordinated effort to shore up the American trade stance. But neither official specifically denied published remarks by the White House economic adviser, Laura D. Tyson.

She was quoted earlier this week as saying that it might be time for Washington to try to "moderate or adjust the timing" of its trade stance with Tokyo to reflect the political realities in Japan, without altering the overall thrust of American policy.

The two countries are deadlocked over Washington's demand for specific, measurable commitments, or "objective criteria" for the reduction of Japan's huge trade surplus with the United States. But there have been hints in recent days that some movement may soon be possible in the area of purchasing contracts by Japanese government agencies.

The comments by Ms. Tyson were reportedly welcomed within the Japanese government. But on Wednesday, the U.S. trade representative, Mickey Kantor, and the undersecretary of the Treasury for international affairs, Lawrence H. Summers, separately offered the view that U.S. policy remained consistent.

In a speech to investment managers, Mr. Summers said the administration of President Bill Clinton continued to believe that "we need to see agreements that are credible, that are concrete, and that go beyond the failed agreements of the past" in dealings with Japan.

Mr. Kantor, in an interview with Bloomberg Business News, said, "We've not changed."

"Our position is exactly as it was in Febru-

See TRADE, Page 5

Clinton Clears Way for China Trade Status

U.S. Highlights Gesture By Beijing on Rights

By Thomas L. Friedman
New York Times Service

WASHINGTON — China has taken another step toward meeting President Bill Clinton's human-rights conditions, a sign of progress that the administration quickly highlighted, apparently in an effort to prepare the public for a decision to renew Beijing's trade benefits with only a few symbolic conditions attached.

A senior administration official said China had agreed to a visit by team of American technicians to talk about halting its jamming of Voice of America radio broadcasts.

"Significant progress" by China toward ending jamming of foreign radio and television broadcasts was one of seven human-rights demands Mr. Clinton set a year ago as his condition for renewing China's most-favored-nation trade benefits, which allow the lowest tariff rates.

Of those seven demands, China had to make "significant progress" on five. They were to end the jamming, to account for political prisoners, to allow prisoners to be visited by the Red Cross, to ease the repression in and the pressure on Tibet and to take steps to begin adhering to the Universal Declaration of Human Rights.

The two other Clinton demands were "mandatory," meaning China had to fulfill them entirely. They were to end the export of prison-made products to the United States and to allow the free emigration of certain dissidents who had been barred from leaving the country.

What is significant is that the senior official also told reporters Tuesday that China had

See RADIO, Page 5

A Report Details Arrests Of 500 Others in '89

By Lena H. Sun
Washington Post Service

BEIJING — The authorities arrested about 500 more people in the 1989 crackdown on pro-democracy demonstrations in Beijing than was previously known, and more than 200 of them are still serving harsh prison sentences, according to a human rights report issued Wednesday.

The information, which comes from dissidents and their families, "serves again to demonstrate that known cases of political and religious imprisonment in China represent only the tip of the iceberg," according to the joint report by Human Rights Watch/Asia and Human Rights in China, both based in New York.

Unlike the student leaders and prominent intellectuals whose cases have been the focus of international attention, the prisoners described in the report include peasants, factory workers and cadres who have received harsher sentences than intellectuals and students — many in excess of 10 years. Only 29 of the cases were previously known to human rights organizations.

Because the information is only about Beij-

See ARRESTS, Page 5

Arafat's Clarification: 'Peaceful' Jihad

Luis Inscolume-Agence France-Presse

Palestinian children searching a Gaza City military camp Wednesday for bullets to sell. The Israeli Army completed its withdrawal form Gaza Strip. Page 5.

By William Schmidt
New York Times Service

OSLO — On the same day Israel surrendered final control of the Gaza Strip and Jericho to the Palestinians, Yasser Arafat and Shimon Peres met in this Scandinavian city to celebrate the place where their journey toward peaceful cooperation began in secret nearly two years ago.

Mr. Arafat, the chairman of the Palestine Liberation Organization, and Mr. Peres, the Israeli foreign minister, arrived here early Wednesday. They were joined by former President Jimmy Carter of the United States for ceremonies honoring Norway's role as a broker in the clandestine talks that resulted in last September's historic accord between Israel and the PLO.

But in a day of speeches and public tributes to the search for peace in the Middle East, the two leaders also sought to allay a furor in Israel over the revelation of remarks by Mr. Arafat, in which he called for a "jihad" to liberate Jerusalem for Muslims.

At a press conference, Mr. Arafat said his remarks, made earlier this month after he finished praying at a mosque in South Africa, had been wrongly interpreted. His reference to jihad was not a call for violence, Mr. Arafat said.

A tape recording of Mr. Arafat's remarks was played by Israel state radio on Tuesday.

"Jihad will continue and Jerusalem is not for the Palestinian people; it is all for the Muslim people," Mr. Arafat is heard to say on the tape. "Our main battle is Jerusalem."

Mr. Arafat on Wednesday said that what he had meant was, "I will continue my jihad for peace," or "I will continue my jihad for Christians and Muslims and Jews to pray in Jerusalem."

The Israeli foreign minister, Shimon Peres, who appeared unexpectedly at the press conference while Mr. Arafat was speaking about Jerusalem, immediately said he was satisfied with Mr. Arafat's explanation.

"He remains remains committed to the declaration of principles, to the end of violence," said Mr. Peres.

Mr. Carter and the Norwegian foreign minister, Bjorn Tore Godel, also accepted Mr. Arafat's clarification, with the former U.S. president telling reporters he clearly understood the PLO leader to have used the word "jihad" to mean a peaceful crusade.

In a speech later in the afternoon, Mr. Arafat turned to face Mr. Peres, whom he referred to as "my cousin and my neighbor," and asked him to convey to the Israeli people "our best regards and our determination to

See JIHAD, Page 5

Kiosk

AC Milan Wins the Champions' Cup

AC Milan dominated Barcelona in a clash of Europe's soccer powerhouses to win the Champions' Cup, 4-0, Wednesday night at Athens' Olympic Stadium. AC Milan became the attacking team it rarely was this season, the attacking team it was supposed to have been a year ago. Daniele Massaro opened the scoring in the 22d minute and adding another in the 45th. Dejan Savicevic made it 3-0 in the 47th minute, and then Marcel Desailly made it 4-0. (Page 17)

General News

U.S.-Russian dispute underlined the fragility of a Bosnia accord. Page 2.

Health / Science

Why do women need men to keep the human race going? A good question. Page 8.

Book Review Page 7.
Bridge Page 7.

Newsstand Prices

Bahrain	0.800 Din	Malta	35 c.
Cyprus	C. £ 1.00	Nigeria	50.00 Naira
Denmark	14.00 D.Kr.	Norway	15 N.Kr.
Finland	11 F.M.	Oman	1.000 Rials
Gibraltar	£ 0.85	Qatar	8.00 Rials
Great Britain	£ 0.85	Rep. Ireland	R £ 1.00
Egypt	E.P. 5000	Saudi Arabia	9.00 R
Jordan	I J D.	South Africa	R 6
Kenya	K. SH. 150	U.A.E.	8.50 Dirh
		U.S. Mil. (Eur.)	$1.10

Dow Jones: Up 12.28 — 3732.89

Trib Index: Up 1.16% — 113.39

The Dollar

New York	Wed. close	previous close
DM	1.6568	1.672
Pound	1.5088	1.5025
Yen	103.50	104.525

More Japan War Problems: Now It's Pearl Harbor

By David E. Sanger
New York Times Service

TOKYO — Just when Japan thought it was patching over the damage done by a cabinet member's insistence that the Rape of Nanking never happened, a new and even more politically charged argument has broken out inside the government: When Emperor Akihito makes his first state visit to the United States next month, should he stop off at Pearl Harbor?

The emperor's schedule, though not officially published, calls for him to visit Honolulu on the way back from from a two-week tour across the United States. Until a few days ago, Japanese officials were whispering that the emperor would visit the memorial at the battleship Arizona and express his sorrow over the war, which was begun under the reign of his father, Hirohito.

But in another sign that the argument over the emperor's role in the war, the government is suddenly getting cold feet. Influential right-winger politicians oppose the visit.

Hanging onto power by a thread, Prime Minister Tsutomu Hata's cabinet is clearly fearful of being blamed if the emperor is perceived to be apologizing for an air attack that many Japanese still believe was a justifiable response to U.S. economic sanctions.

"The pendulum is swinging," one Japanese official said, "and there is a good possibility that Pearl Harbor will disappear from the schedule."

Although Akihito visited the Arizona as crown prince in 1960 and Emperor Hirohito visited Hawaii during a tour of the United States two decades ago, no Japanese emperor has paid respects at Pearl Harbor.

In its broad outlines, the argument over the emperor's

two years ago, the first time a Japanese emperor ever stepped on Chinese soil.

Influential right-wing politicians tried to scuttle that trip altogether, protesting that it would violate the apolitical role of the Japanese monarch in the postwar constitution, and humiliate modern Japan by seeming to kowtow to China's leadership.

But Akihito, who became emperor in 1989, was determined to set a different tone, and issued a fairly strongly worded statement of regret for the suffering Japan caused.

To many Japanese, however, Pearl Harbor is a very different issue. The widely accepted interpretation of the attack is the one written by General Hideki Tojo, Japan's wartime prime minister, who said that the embargo on oil and steel deliveries to Japan made it inevitable that the country would lash out.

"For Japan, doing nothing would have meant the destruc-

For Retiring German Chief, a Past Never Forgotten

By Craig R. Whitney
New York Times Service

BONN — For 10 years, President Richard von Weizsäcker has been the conscience of his country, insisting again and again to his fellow Germans that the only solid foundation for their future is acknowledgment of the past.

Like any good conscience, the white-haired aristocrat has often deliberately made his listeners uncomfortable. Speaking nine years ago about the killing of 6 million Jews by the Nazis, he said,

"There were many ways of not burdening one's conscience, of shunning responsibility, looking away, keeping mum. When the unspeakable truth of the Holocaust then became known at the end of the war, all too many of us claimed that they had not known anything about it or even suspected anything."

Reflecting the other day, the president, 74, said, "I wouldn't take back a single word of that speech today."

With a special political assembly scheduled to convene on Monday to pick his successor, the speech seems fated to go into the history books as the defining moment of his presidency.

"I got many letters then asking me what right I had to say that many Jews had died," he said. "Today, I am still getting the same kind of questions, but now they sign their names and give their addresses. Nine years ago they were anonymous. That has bothered me more than once."

Questioning the historical fact of the Holocaust is a crime in Germany. The law was challenged in court this year by a rightist radical leader, but the country's highest tribunal, the federal Constitutional Court in Karlsruhe, reaffirmed it.

The German presidency is a ceremonial office without executive powers, but Mr. Weizsäcker used it as a moral tribunal, reflecting what he had learned from his own past.

Born in Stuttgart in 1920, the young baron studied at Oxford before the war and served as an officer in a Prussian infantry regiment that took part in the invasion of Poland in 1939.

Some of his friends were involved in the assassination attempt against Hitler in 1944. At the same time, Mr. Weizsäcker's father, Ernst, was a diplomat who served under Hitler as chief secretary of the Foreign Office and ambassador to the Vatican.

He was sentenced to five years' imprisonment by the Nuremberg war crimes tribunal. Mr. Weizsäcker, then a law student, helped defend him and later helped publish his memoirs, which portrayed him as opposing the Nazis.

Weizsäcker used presidency as a moral tribunal.

In an interview much later, Mr. Weizsäcker said he had never been happy with the memoirs. His father, he said, must have known about the Nazi war crimes in broad outlines but not in all their horrifying detail, and thought that duty required him to continue working as a diplomat.

Despite a rash of neo-Nazi violence against foreign immigrants and asylum-seekers in the last two years, Mr. Weizsäcker said he would retire on June 30, the end of his term, with undiminished confidence in the ability of German democracy to master the problems raised by unification four years ago.

"If you see the solution to problems like racism and violence only in stricter laws, tougher police measures and stringent political speeches, you are mistaken," he said. "It isn't police or laws that determine how people behave and think. Teachers, parents and even the media have much greater influence, and should be aware of the role they have to play."

In a recent German magazine interview, Mr. Weizsäcker did have one serious criticism for the unification process. When the Berlin Wall fell in November 1989, he told the weekly Stern, there was widespread readiness in the western part of the country to sacrifice to help the impoverished Communist-ruled eastern part, but the government never took advantage of it.

"Instead, the state preferred to finance the enormous sums that had to be transferred by a gigantic deficit," he said.

This, like many of the president's previous pronouncements, was taken by many politicians as a veiled criticism of Chancellor Helmut Kohl's government.

Mr. Kohl does not tolerate challenges to his leadership lightly. He may have thought in 1984 that he had relegated Mr. Weizsäcker, previously the Christian Democratic mayor of Berlin, to political impotence when the party nominated him as president.

Mr. Kohl seems bent on determining that the next president is somebody with whom he can be happy.

The chancellor's first nominee withdrew in November after a series of awkward statements.

The current nominee is Roman Herzog, the president of the Constitutional Court. He aroused controversy this month by saying that Turks living in Germany were not automatically entitled to become citizens.

At a dinner with foreign correspondents, Mr. Weizsäcker haughtily dismissed attempts to get him to comment on Mr. Herzog's statements.

Mr. Weizsäcker's lecturing tones have sometimes grated on his listeners, but many Germans say that whoever succeeds him will have a difficult time filling his shoes.

WORLD BRIEFS

Rival Yemenis Fight for Key Base

AL ANAD, Yemen (Combined Dispatches) — Northern troops backed by heavy armor battled on Wednesday with southern forces for a key military base governing the northern approaches to Aden, witnesses said.

Reporters were taken by northern forces inside the Al Anad encampment and watched as artillery, tank and rocket fire shook the base. Southern troops appeared to be firing from outside the perimeter in an effort to dislodge the northerners. Heavy firepower was coming from inside and outside the base about 60 kilometers (about 35 miles) north of the port city.

Control of Al Anad was a key objective of forces loyal to President Ali Abdullah Saleh in their push toward Aden, the stronghold of the southerners led by Ali Salem Baid. The rival armies from the former conservative North Yemen and Marxist South Yemen, which united four years ago, have been locked in civil war for two weeks. *(Reuters, AFP)*

Opposition Takes Big Lead in Malawi

BLANTYRE, Malawi (WP) — Leaders of the opposition United Democratic Front called on Malawi's 96-year-old life president, Hastings Kamuzu Banda, to concede defeat Wednesday in the country's first multiparty elections, as early but unofficial results showed a commanding lead for a former cabinet minister and businessman, Bakili Muluzi.

Mr. Muluzi held an overwhelming lead in the country's populous southern region, which includes the commercial hub of Blantyre, and smaller leads in Mr. Banda's native central region and in the less populous north.

Opposition leaders and diplomatic sources said it appeared all but certain that Mr. Muluzi would unseat Mr. Banda. Party officials were already planning for the new president to be sworn in on Saturday. "We are hoping they will be civilized enough to concede defeat," said the United Democratic Front secretary-general, Harry Thomson.

UN Inspections Begin in North Korea

VIENNA (Reuters) — United Nations inspectors arrived at the North Korean nuclear complex north of Pyongyang on Wednesday and started work at one of the plants, the United Nations nuclear safeguards agency said.

A spokesman at the International Atomic Energy Agency, based in Vienna, said he was unable to confirm whether the three-man team had visited a five-megawatt nuclear reactor at the complex in Yongbyon. Some reports have said that Pyongyang has begun refueling the reactor in defiance of the UN agency.

"They have reported back that they have arrived at Yongbyon and have started work," the spokesman said, but gave no further details. There is some confusion whether North Korea has just shut the reactor to allow its core to cool before refueling, or whether it has removed its uranium fuel rods.

Thai Officials Suspected of Drug Link

BANGKOK (Reuters) — The United States suspects that 17 Thai politicians, including several members of Parliament, are involved in the narcotics business, Thai government officials said Wednesday.

Foreign Minister Prasong Soonsiri informed government colleagues of the U.S. suspicions during a cabinet meeting on Tuesday, an official said. Opposition members of the National Assembly, alleging that the government had political motives for revealing the suspicions, walked out of the House in protest on Wednesday after demanding that Mr. Prasong identify those under suspicion.

The only politician identified so far was Mongkol Chongsuthamanee, a member of the opposition Chart Pattana (National Development) party from Chiang Rai Province. Mr. Prasong said Wednesday that Mr. Mongkol had been denied an entry visa in March by the United States. Mr. Prasong said he did not know the reason for the visa refusal and refused to elaborate on the U.S. suspicions.

UN Cancels 3 Flights to Tuzla After Pilots Balk

By Roger Cohen
New York Times Service

ZAGREB, Croatia — The United Nations canceled three planned flights into Tuzla airport Wednesday, underscoring the apparent ability of the Bosnian Serbs to close at will the airport near the government-held northern Bosnian town.

The decision to cancel the flights was made when civilian pilots whose services are leased by the UN military command refused to fly to the airport because of Serbian shelling of the airfield Tuesday.

"We tried to persuade the pilots, but their view was that the airfield was not safe," said Matthew Nerzig, a spokesman for the United Nations in Zagreb.

Four rounds fired by Serbian tanks in the mountains ringing the airfield struck the airport Tuesday. One exploded near a UN Ilyushin-76 transport that had just landed in the first flight to Tuzla since the airport was closed on April 14.

Following the incident Tuesday, Lieutenant Colonel Lars Muller, deputy commander of the Nordic battalion based in Tuzla, asked for NATO air strikes against the tank. But Lieutenant General Michael Rose, the commander of UN forces in Bosnia, refused.

"Close air support from NATO is a last resort for UN troops under attack and when loss of life is at stake," Mr. Nerzig said. "This request did not meet those standards."

The disagreement over how to respond to the Serbian shelling seemed certain to worsen the already tense relations between the Tuzla-based Nordic battalion of the UN Protection Force and the top UN official in former Yugoslavia, Yasushi Akashi.

The Nordic battalion is very impatient over the situation at Tuzla airport, which was opened by Mr. Akashi last March only to be closed again a few weeks later. The Norwegian commander at the airfield said earlier this month that the airport is, in his view, safe.

□ 11 Aid Workers Set Free

France's Foreign Ministry said Wednesday that Bosnian Serbs had released 11 French aid workers detained in Bosnia on April 5, Reuters reported from Paris.

Andrew Winning Agence France-Presse

DISABLED DEMONSTRATE — A paraplegic woman being carried from the path of a London bus Wednesday after a group of disabled people stopped traffic to protest what they called the "wrecking" of a bill to protect the disabled from discrimination.

Hata Puts A Halt to Rising Fees In Japan

By James Sterngold
New York Times Service

TOKYO — In one of his first acts as Japan's new prime minister, Tsutomu Hata responded Wednesday to growing criticism of a wave of steep increases in government-controlled fees and tolls by ordering the bureaucracy to freeze the fees at their current levels until year-end.

It is uncertain that Mr. Hata's order will actually bring about the freeze, since many of the fee increases, covering everything from postal rates and highway tolls to public housing rents and subway fares, are the responsibility of local governments. But his unusual call reflected the mounting public anger over the surging fees and the potential political repercussions of the problem.

The dismay is a product of the fact that the increases have come at the worst possible time. Japan is in the grips of a deep recession, inflation has all but disappeared and wholesale prices are actually declining in many instances. Nevertheless, the government has approved or is considering fee increases that will cost consumers more than $22 billion this year, according to estimates by Morgan Stanley International.

The cost of mailing a letter has risen 29 percent. Highway tolls in Tokyo just jumped nearly 17 percent for cars. There are also increases in pension premiums, telephone service fees, alcohol taxes, medical fees, national university tuitions and many others.

Business groups have complained loudly that the increases will further slow the economy and all but erase the expected benefits of an income tax cut the Parliament has passed for this year.

Takeshi Nagano, president of the Federation of Employers' Associations, a major business lobbying group, has vigorously criticized the increases and sought to embarrass the government by asking Tuesday if he could testify at an upcoming government hearing on the highway toll increases.

Hiroshi Kumagai, the chief cabinet secretary, said here Wednesday that Mr. Hata had ordered all the increases to be frozen, except those already approved.

TRAVEL UPDATE

High-Speed Station for Euro Disney

PARIS (AP) — A station for France's high-speed trains will be inaugurated Thursday at Euro Disneyland and go into service May 29, making it easier to visit the amusement park.

The station at Marne-la-Vallée, 30 kilometers (20 miles) east of Paris, will make the park more accessible from French provinces and countries on the high-speed rail network, like Belgium and Switzerland.

Euro Disney put up 250 million francs ($44 million) of the cost of the station; the French government, which had promised the station to lure Disney to France, paid the remaining 580 million francs.

American citizens traveling in Yemen risk being captured and held hostage, the U.S. State Department warned. It stated, "The U.S. government has learned that Islamic extremists may be planning to initiate a hostage-taking against Westerners in Yemen." *(AFP)*

Russian airline pilots suspended their nationwide strike just hours after it began Wednesday, but threatened to resume it in two weeks unless the Russian government tightened safety rules and increased pensions. *(AP)*

Japan Airlines said Wednesday that it would begin a new daily nonstop joint flight with Air France between the new Kansai International Airport in Osaka and Paris. *(AFP)*

Vietnam Airlines has signed a deal with Delta Airlines to coordinate schedules as a way to tap into the potentially lucrative route to the United States, the Vietnam News Agency reported. *(AFP)*

Singapore plans to tighten its already strict anti-smoking rules by banning tobacco smoke in all air-conditioned private offices and factories, the Health Ministry announced Tuesday. *(Reuters)*

All future mass transit systems in central Bangkok must go underground, the Thai cabinet announced Wednesday. *(Reuters)*

It could be a bad year for Lyme disease in the northeastern United States, according to scientists at the Connecticut Agricultural Experiment Station in Hartford. Snow that blanketed much of the area last winter is believed to have protected ticks, which spread the disease, against freezing temperatures. *(NYT)*

U.S.-Russia Rift Shakes Unity on Bosnia

New York Times Service

ZAGREB, Croatia — Beneath the show of unity on Bosnia-Herzegovina last week by the United States, Russia and the European Union, a sharp diplomatic dispute flared between Washington and Moscow that underscored the fragility of international efforts to end the Bosnian war.

American officials said the dispute raised new questions about the effectiveness of diplomatic attempts to stop the fighting in the former Yugoslav republic.

The clash stemmed from Russian anger at what was seen by Moscow as tacit U.S. support for the Muslim-dominated Bosnian government's claims to 58 percent of the country's territory, the officials said.

After five days of United States-sponsored talks in Vienna, the Bosnian government and its Croatian allies last week requested 58 percent of Bosnian territory, substantially more than the 51 percent offered under a plan officially endorsed by the United States, Russia and the European Union in Geneva last Friday.

"The Russian view was that, because of our close involvement with the Muslim-Croat federation, they could not have demanded 58 percent of the territory without our backing," an American official said. "Because of the Russian concerns, a formal signing ceremony for the federation in Geneva last Saturday was downgraded to a mere reception."

The officials said that although the Clinton administration's backing of the 51 percent figure was sincere, there was considerable unease in Washington at the notion of putting pressure on the Bosnian government to abandon its 58 percent goal.

After more than two years of war, the Bosnian Serbs hold about 70 percent of the country. To satisfy the claims of the Muslim-Croat federation, they would have to give up almost one-third of this.

Apart from U.S. difficulties with the Russians, whose support for the Serbs is rooted in their shared Orthodox Christian heritage, marked strains persist with the Europeans over how best to stop the war, the officials said.

The British and the French, who are heavily involved in an expensive United Nations peacekeeping operation in Bosnia, are anxious to stop the war by virtually any means, but the Clinton administration still balks at the notion of the Muslims suffering too overt an injustice.

European impatience became clear Tuesday as France indicated that it intended to withdraw about 2,500 of its 6,800-member contingent in the region by the end of the year if diplomatic progress is not made.

The differences between the United States and Europeans also center on the issue of the emergence of a Muslim-dominated state in Europe. Although this development is not viewed as a matter of strategic concern in Washington, it causes deep, if generally unspoken, unease in Europe, where the Muslim militant terrorism in Algeria and an influx of North African immigrants into recession-hit economies have heightened unease over Islamic militants and Muslims in general.

With these differences persisting, the Serbs and Muslims have as yet shown little readiness to comply with the call for a cease-fire.

— ROGER COHEN

ITALY: *Berlusconi Wins Confidence Vote in Senate*

Continued from Page 1

France's National Front or Germany's Republikaner. The National Alliance favors tougher criminal sanctions, including the revival of the death penalty, stricter immigration controls and a strong central authority that will help subsidize the poor South, where many of its supporters live.

The National Alliance's demand that Rome should continue to dominate political life in Italy seems bound to provoke further clashes with the separatist-minded Northern League. Reconciling their conflicting demands may prove to be the gravest test of Mr. Berlusconi's leadership skills.

The League wants to decentralize Italy's power centers and cede much greater authority over taxes and spending to local governments. But the National Alliance insists on maintaining a substantial state sector that will permit tax money to continue flowing from the rich North to the South.

Declaring that Italy is "one and indivisible," Mr. Berlusconi indicated this week that he would impose strict limits on any dilution of the central government's authority. On the other hand, he has awarded the League a powerful base to advance its agenda through key cabinet posts that include Interior, which runs the police and secret service, and Institutional Reform.

Umberto Bossi, the League's leader, fought a bitter battle with Mr. Berlusconi over the cabinet posts and has vowed to succeed in his ambition of breaking Italy into three autonomous regions. Mr. Berlusconi has managed to keep Mr. Bossi under control only by threatening new elections, which polls suggest would see a larger transfer of votes from the League to Mr. Berlusconi's Forza Italia.

At the same time, Mr. Berlusconi has promised to cut taxes and slash state debt in ways that could prove uncomfortable for the National Alliance, which draws much of its support from the South. He said that the government, in its first 100 days, will press ahead with plans to turn huge state holdings in insurance, oil, gas, electricity and telecommunications over to the private sector to infuse greater free enterprise into the economy.

Italy has about 40 percent of its economy tied up in the state sector.

Craxi Disappears, but Sends Medical Excuse Via Lawyer

Reuters

ROME — A mystery over the whereabouts of Bettino Craxi, a disgraced former prime minister, deepened on Wednesday after he sent a sick note telling magistrates that he was too ill to hand in his passport, Italian state radio reported.

Milan magistrates last week ordered the former Socialist Party leader, who is facing about 20 graft inquiries, to surrender his passport for fear he might flee the country.

But Mr. Craxi, who was prime minister from 1983 to 1987, has disappeared and is thought to be abroad. He sent the medical certificate and a covering letter by fax to one of his lawyers on Tuesday from an undisclosed location.

The certificate, signed by a foreign doctor whose nationality has not been made public, is reported to refer to diabetes, a condition that Mr. Craxi, 60, has suffered from for many years.

Italian newspapers commented that this had never prevented him from carrying out his duties as a high-profile and aggressive prime minister and Socialist leader until he was laid low by the country's graft scandal.

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THE AMERICAS /

Unchecked Exports Aid Arms Spread, U.S. Auditors Warn

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — The U.S. government has approved at least 1,500 exports since 1988 of nuclear-related equipment to foreign companies or organizations suspected of involvement in nuclear proliferation, according to a study by the congressional General Accounting Office.

More than half of the exports were to organizations linked to Israel's nuclear weapons program. Others went to buyers with ties to suspected or confirmed nuclear weapons efforts in Brazil, India, Argentina, Iraq, South Africa, Iran and Pakistan, the auditing office said after a 22-month study.

The equipment included high-speed computers, lasers, oscilloscopes, furnaces, metallic compounds, machine tools and other items with a total value of more than $350 million, the study said. While each of the items could be used in inoffensive civilian applications, much of the equipment also could be used in weapons testing or the production of fissile materials central to nuclear explosives.

All the U.S. exports were conditioned on pledges by the buyer or seller that the items not be used for weapons work, the office said, adding that it had uncovered no evidence that the equipment was illicitly diverted to nuclear explosives work. But the report also said the executive branch had evidently made little effort to verify that buyers had kept their pledges.

"These approvals increase the risk that U.S. exports could contribute to nuclear proliferation — in some cases significantly," Joseph E. Kelley, the GAO's director for international affairs issues, said at a Senate Governmental Affairs Committee hearing Tuesday.

Several congressional aides described the report as the most comprehensive and damning audit of the U.S. export control system since the 1991 Gulf War exposed a pattern of U.S. and allied sales to Iraqi buyers linked to nuclear and other military programs.

The report indicated that at least from 1988 to 1992, Washington's habit of approving sensitive nuclear-related exports extended to at least seven other nations besides Iraq that were suspected of developing nuclear arms. None of the seven allowed any international inspection of its nuclear activities during this period.

"We have all heard stories about sneaky procurement operations," said Senator John Glenn, Democrat of Ohio, the committee chairman. "But the news today is that many of these goods did not have to be smuggled into secret nuclear weapon facilities. They were available over the counter-quality items, made in U.S.A."

The auditors' report said Israel enjoyed an advantage over other nations in getting U.S. approval for purchases of high-technology equipment that can be used in its nuclear weapons program.

Of an estimated 880 licenses granted for exports to organizations associated with Israel's nuclear program, 238 were for computers that "were generally more powerful than any exported to sensitive end-users in other countries of concern," the report said. Some were more powerful than those used to develop many U.S. nuclear weapons, the report said.

The auditors said the State Department had explained the export licenses by citing "the overall U.S.-Israeli relationship and the U.S. policy of maintaining Israel's qualitative military superiority over its neighbors." In 62 of the 238 computer licensing decisions, Washington obtained direct assurances from the Israeli government that the equipment would not be used in nuclear weapons work.

But U.S. Embassy officials in Israel "questioned the value" of such assurances, which typically were not verified, the report said. It listed only one example of an embassy's trying to verify the peaceful use of an unspecified high-tech export to "an end-user involved in Israel's unsafeguarded nuclear program." The verification procedure, the report said, was conducted by "an Israeli national" who interviewed a representative of the purchaser and a public relations official at a government commission.

"The U.S. Embassy subsequently recommended approval of the application based on the results" of these interviews, the report said.

Such casual checks were commonplace, the report suggested. On the few occasions that checks were made, embassy officials sent foreign service nationals to inspect their own countries' installations. When U.S. personnel were involved, they typically were unfamiliar with the equipment or the reason that its potential diversion had aroused concern, the auditors said.

Other exports mentioned included 33 shipments of computers, laser equipment and pressure-measuring gear to India's Bhabaha Atomic Research Center. The CIA says that the unmonitored research center is working on a hydrogen bomb.

In Clinton Nest, Most Eggs Are Hillary's

By Stephen Labaton
New York Times Service

WASHINGTON — Most of the wealth of President Bill Clinton and his wife, Hillary, is in the name of Mrs. Clinton, according to financial disclosure forms issued by the White House.

Making public their statement for 1993, the Clintons estimated their net worth at between $633,015 and $1,620,000. The rules do not require government officials to report their worth precisely, but only to declare their assets in ranges, and the Clintons have declined to provide more specific figures.

Last July, the family followed the custom of all modern presidents by setting up a blind trust. They put most of their assets in the hands of Joseph C. McNay, who runs Essex Investment Management of Boston.

But even in the trust, they continued to hold separate accounts for the president, first lady and Chelsea. Mr. Clinton's share of the blind trust was valued at between $15,001 and $50,000, and Chelsea's was worth between $1,001 and $15,000. The first lady's was put at between $500,001 and $1 million.

White House officials said the Clintons' decision to separate their assets in the trust was like many couples who hold separate accounts after they get married.

Still, it was no surprise that Mrs. Clinton was worth considerably more, since she has been the main family breadwinner through most of their marriage.

Mrs. Clinton was a partner at one of Little Rock's most profitable law firms at the same time that her husband was one of the lowest-paid governors in the nation, earning $35,000 a year. When he moved to Washington, he got a raise, and he now earns $200,000 annually.

The White House also reported that the Clintons accepted about $11,000 in gifts last year, including a picture frame valued at $530 from Tom Hanks, a $1,200 painting from Carly Simon and $255 worth of silk neckties from Donna Karan.

The disclosure statement listed no liabilities. In 1992, they closed out their loan guarantee on Whitewater Development Co., the real estate venture now under scrutiny by the independent counsel on Whitewater, Robert B. Fiske Jr.

Can a Sitting President Be Sued for Past Deeds?

By Ruth Marcus
Washington Post Service

WASHINGTON — The U.S. Justice Department is researching whether President Bill Clinton can be sued while in office for acts he committed before taking office, according to administration officials.

They said the White House counsel, Lloyd Cutler, had asked the Justice Department's Office of Legal Counsel to look into the unresolved legal question, an issue that could be at the heart of Mr. Clinton's efforts to deal with the lawsuit filed against him earlier this month.

"We have asked them to look as the Justice Department at the issues involved in what you might call the public or presidency issues involved in a suit against a sitting president," Mr. Cutler said.

The lawsuit by a former Arkansas state employee, Paula Corbin Jones, accuses Mr. Clinton, while governor, of violating her civil rights by sexually harassing her.

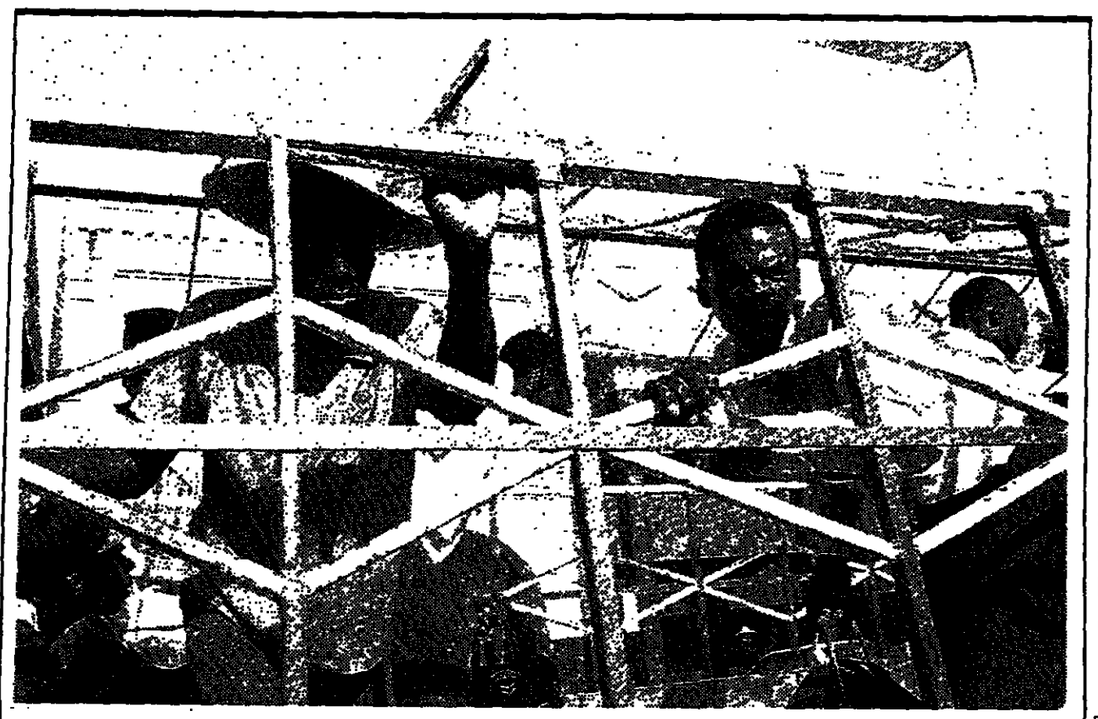
Mr. Clinton's private lawyer, Robert S. Bennett, has indicated that he may seek to block Miss Jones's suit by arguing that the president cannot be distracted in office by having to deal with private litigation against him.

The Supreme Court ruled in 1982 that presidents may never be sued in office or after departing for official acts as president.

In that case, the court based its reasoning in part on the argument that it would be too burdensome to a president to have to defend himself against civil lawsuits while trying to serve effectively as president.

"Because of the singular importance of the president's duties, diversion of his energies by concern with private lawsuits would raise unique risks to the effective functioning of government," Justice Lewis F. Powell Jr. wrote in that case.

The court has never had occasion to consider the related question raised by Miss Jones's case: whether that immunity from suit also protects a president, at least during his time in office, from being sued for private acts.



John McConnico/The Associated Press

UNWELCOME WAIT — Two of the 150 Haitians returned to their country by the U.S. Coast Guard waiting at the Port-au-Prince bus station to go back to their homes in Petit-Goava. Since Friday, the United States has repatriated almost 800 Haitians.

★ POLITICAL NOTES ★

Health-Care Break for Small Companies?

WASHINGTON — A leading Democratic moderate on health-care reform has offered a compromise on employer-provided health insurance, a move that could enliven the chance of passing a bill with universal coverage in the Senate.

In a meeting with Senate Democratic colleagues, Senator John B. Breaux, Democrat of Louisiana, outlined a proposal that would exempt companies with fewer than 11 employees from any mandate.

"I don't like mandates," he said, "but let's ask where they're bad and let's address the problem." Mr. Breaux is the co-sponsor with Representative Jim Cooper, Democrat of Tennessee, of a plan that does not contain the so-called employer mandate.

Mr. Breaux called his proposal "an attempt to find a middle ground that is fair." *(WP)*

A Millionaire's Club on Supreme Court

WASHINGTON — The nine members of the Supreme Court are a wealthy bunch, with three millionaires — and Ruth Bader Ginsburg leads the pack.

In financial statements, Justice Ginsburg listed assets of between $3.7 million and $7.9 million. Sandra Day O'Connor and John Paul Stevens join her in the seven-figure category. Clarence Thomas brought up the rear with assets worth $80,000 to $275,000. Justices are required to list assets in broad dollar ranges, but they do not have to declare personal property.

The justices also have to declare gifts. Most mysterious was the listing of two paintings of unknown value given to David Souter by a Patricia Andrews. Justice Thomas listed, among other things, cigars ($150) and suspenders ($125), and Anthony Kennedy put down shirts ($400).

And if Stephen Breyer is confirmed to fill retiring Justice Harry Blackmun's seat, he will bring the Millionaire's Club to four. *(WP)*

Social Security Is Coming of Age, at Last

WASHINGTON — The House has voted to detach the Social Security Administration from the Department of Health and Human Services and make it an independent agency, ostensibly to protect its trove of money from the "political mischief" of free-spending bureaucrats.

The bill approved Tuesday, by a vote of 413 to 0, would give the office a higher profile in Washington, where every droplet in the monthly gusher of benefits is a matter of some political importance.

The House bill is broadly similar to legislation that passed the Senate by a voice vote in March. *(NYT)*

Democrats Nominate Doctor in Oregon

PORTLAND, Oregon — John Kitzhaber, the physician architect of Oregon's first-in-the-nation health-care rationing plan, coasted to the Democratic nomination for governor and will face a former congressman, Denny Smith, in the fall.

Dr. Kitzhaber, a former emergency room doctor, faced only token opposition in the primary Tuesday from Paul Wells, who did not campaign and described himself in election documents as a housewife. The Republican primary, in contrast, was a bitterly fought contest between Mr. Smith and Craig Berkman, both millionaire businessmen.

With 90 percent of precincts reporting, Kitzhaber had 89 percent of the vote to 11 percent for Mr. Wells. Mr. Smith had 50 percent to Mr. Berkman's 40 percent.

The Kitzhaber plan is an effort to to increase the number of people eligible for medical care at public expense by restricting the types of services they can get. *(AP)*

Quote / Unquote

President Bill Clinton, addressing pupils at a middle school: "No one is entitled to instant gratification all the time, to get what they want when they want it, right now. You have to be willing to pay the price of time." *(WP)*

The Haze of Cigarette Smoke

'All Victims of Concealment,' Califano Says

By Marlene Cimons
Los Angeles Times Service

WASHINGTON — The secretary of health, education and welfare during the Carter administration has told Congress that had he and other federal officials known more about secret tobacco industry research into the properties of nicotine they would have declared cigarettes addictive and moved to regulate them.

"Unfortunately, we were all victims of the concealment and disinformation campaign of the tobacco companies," said Joseph A. Califano Jr., who once smoked as many as four packs a day but has since become an anti-tobacco crusader who calls tobacco "history's No. 1 serial killer."

Testifying before the House Energy and Commerce subcommittee on health and the environment, which has been conducting an extensive investigation of the tobacco industry, Mr. Califano on Tuesday described an intense debate in 1978 and 1979 over the government's role in regulating tobacco.

He said Dr. William Pollin, then director of the National Institute of Drug Abuse, urged President Jimmy Carter's surgeon-general, Dr. Julius Richmond, to pronounce cigarettes addictive. But Dr. Richmond resisted, citing a lack of sufficient scientific evidence, Mr. Califano said.

"Since we knew that the tobacco interests would attack any report we issued, we believed it was imperative that we be on unimpeachable ground in all we said," Mr. Califano said. "I, therefore, agreed with Dr. Richmond, and we decided not to declare that cigarettes were addictive."

The outcome of the dispute would have been different, "had we been privy to research" by industry added Mr. Califano, who now heads the Center on Addiction and Substance Abuse at Columbia University in New York.

In recent weeks, the growing debate over smoking has focused on whether nicotine is indeed addictive, as numerous medical experts have maintained, and whether the tobacco industry has been manipulating levels of nicotine in cigarettes to keep smokers hooked on its products.

Last month, chief executives from the seven leading U.S. tobacco companies denied under oath before Congress that they had been deliberately increasing nicotine levels in cigarettes and insisted that the substance is not addictive.

But decades-old documents from at least one company, Brown & Williamson, which were recently leaked to the press and to anti-smoking members of Congress, indicated that executives there believed as early as 1964 — when the first landmark surgeon general's smoking report was released — that nicotine was addictive. Moreover, other company papers show that the company had been working on developing a safer cigarette, although it never marketed one.

The subcommittee chairman, Henry A. Waxman, Democrat of California, has scheduled another hearing for Friday and has asked the Brown & Williamson chairman, Thomas E. Sandefur Jr., to appear.

The company has claimed that the documents were stolen and are protected by attorney/client privilege. It has warned that quoting from them or discussing them publicly violates a court-ordered injunction.

Gilbert Roland, 88, Dies, Actor Began as Latin Lover in Silents

New York Times Service

Gilbert Roland, 88, who began his career as a Latin lover in silent films and over four decades became one of Hollywood's ablest and most popular character actors, died of cancer Sunday in Beverly Hills, California.

Mr. Roland was a native of Mexico. His father, paternal grandfather and a great-grandfather were matadors, originally in Spain.

A self-taught performer who invariably wore a trim mustache, he approached competition with both bulls and tennis players with equal skill and determination. He was also a favorite subject of society writers in the early 1940s, when he was married to the actress Constance Bennett.

Mr. Roland appeared in more than 100 movies, first as an extra or bit player, then as the debonair wooer of a generation of film goddesses and later as a stylish, witty and authoritative featured performer.

After serving in the U.S. Army Air Forces in World War II, Mr. Roland portrayed a Cuban laborer with a poet's soul in "We Were Strangers" (1949), a roué in a polo coat eyeing the nubile Marilyn Monroe in "All About Eve" (1950), a malevolent ranch-squatter in "The Furies" (1950), a kindly village priest in "The Torch" (1950), an idolized matador in "The Bullfighter and the Lady" (1951) and a ruthless gangster in "My Six Convicts" (1952).

He was a sympathetic confidant to children in "The Miracle of Our Lady of Fatima" (1952), a womanizing actor in "The Bad and the Beautiful" (1953), a robust fisherman in "Beneath the 12-Mile Reef" (1953) and a skillful trapeze and high-wire performer in "The Big Circus" (1959).

Later, on television, he starred in two long-running Westerns, "The Cisco Kid" and "The High Chaparral."

Alfred O.C. Nier, 82, Atomic-Age Pioneer

MINNEAPOLIS (NYT) — Alfred O.C. Nier, 82, a physicist at the University of Minnesota whose early work on lead and uranium isotopes helped determine the age of the Earth and usher in the atomic age, died here Monday of injuries suffered in an automobile accident May 2.

Mr. Nier's career was built on a high-resolution mass spectrometer that he designed and built while serving a two-year postdoctoral fellowship at Harvard University beginning in 1936. With that device, he began a study of the isotopic composition of elements in the periodic table.

But it was his work on lead and the two main isotopes of uranium, U-235 and U-238, that contributed to the development of the atomic bomb. Mr. Nier's research also led to a determination that the Earth is about 5 billion years old.

Paul Shulman, 72, the former U.S. Navy officer who went on to become the first commander of the Israeli Navy, died of heart disease Monday in Haifa, Israel.

Jacques Kosciusko-Morizet, 81, a former French ambassador to the United States, the United Nations and the North Atlantic Treaty Organization, died Sunday in Paris.

Alain Cuny, 85, a veteran actor known for his interpretations of Paul Claudel and Shakespeare, died Tuesday in Paris.

Missiles Hit IBM in Athens

The Associated Press

ATHENS — Two anti-tank missiles hit the offices of IBM on Wednesday in central Athens, causing material damage but no injuries, the police said. The attack, by Marxist terrorists, was one of a series in the last 45 days against foreign companies in and around the Greek capital.

U.S. Vows to Cut Homelessness By One-Third

Los Angeles Times Service

WASHINGTON — The secretary of housing and urban development, Henry G. Cisneros, unveiled a new federal effort to combat homelessness and pledged that the Clinton administration would reduce the number of homeless Americans by one-third before the end of its first term.

The administration contended in a report Tuesday that on any night in the United States, 600,000 people are homeless. In addition, 7 million people were without a permanent residence at some point between 1985 and 1990.

The administration promised to to give local governments more responsibility for creating comprehensive programs to establish emergency housing and to treat substance abuse, mental illness and other problems thought to be at the root of homelessness.

Away From Politics

● **A Mexican zoo official caught in a sting operation** in which an American agent dressed in a gorilla suit and thumped his chest has been found guilty in Miami of violating U.S. endangered species laws. Victor Bernal, 57, faces up to 17 years in prison and almost $1 million in fines for trying to pay $92,500 for a "gorilla" that turned out to be a U.S. Fish and Wildlife Service agent in disguise.

● **The talk show host Phil Donahue cannot videotape an execution** for television, North Carolina's highest court has ruled. Justice Sarah Parker, writing for the State Supreme Court, said neither the state nor U.S. Constitution gave Mr. Donahue or the condemned man the right to tape the execution. The court's vote was not recorded.

● **A 9-year-old girl who did not like her teacher** bribed classmates to blackmail him with false accusations of sexual abuse, the Chicago police said. She paid her classmates a dollar to lie, the police said. The teacher was cleared when the children gave inconsistent statements and two of them, including the ringleader, admitted that they had made the story up.

● **Acting in the case of a high school principal** who allegedly made racially derogatory remarks, the Justice Department asked a federal court in Alabama to order school officials to explain why he should not be dismissed or reassigned. The principal at Randolph County High School, Hulond Humphries, threatened to cancel the school prom if interracial couples attended and said the child of an interracial couple was a "mistake," according to Justice motions filed in Montgomery.

(LAT, AP, AFP, WP)

Rwanda Stand Reflects New U.S. Caution

By Douglas Jehl
New York Times Service

WASHINGTON — The blunt refusal of the United States to authorize the immediate dispatch of 5,500 United Nations troops to Rwanda reflects a new caution from a White House now determined to stand in the way of UN peacekeeping missions it regards as unwise, according to Clinton administration officials.

In insisting that a first-wave UN force in Rwanda remain more modest, the administration has made clear that it intends to apply its rigid new constraints on peacekeeping to all UN operations, not just the ones in which the United States might play a central role.

The American demand that more planning be done before a full-scale mission go forward has angered some other nations, which see speed as essential if the United Nations is to help end six weeks of tribal massacres that have left tens of thousands of people dead.

But after a year of setbacks for the United Nations in Somalia and other trouble spots, President Bill Clinton's top deputies said Tuesday that it was essential to prevent the United Nations from overreaching now in Rwanda and risking what credibility it retains.

In testimony before Congress, Madeleine K. Albright, the U.S. chief delegate to the United Nations, insisted Tuesday that it would have been "folly" for a UN force to venture quickly into the "maelstrom" in Central Africa.

"We want to be confident that when we do turn to the UN, the UN will be able to do the job," Ms. Albright told a House Foreign Affairs subcommittee.

She said the administration's insistence that the United Nations prepare more detailed plans before a brigade-sized mission is sent to Rwanda represented the first test of "presidential decision directive 25," issued by Mr. Clinton earlier this month, which calls for new U.S. prudence in peacekeeping.

In a sign of new caution about humanitarian intervention, not one member of Congress countered that the United States had a moral imperative to take action. Even with new reports of killings emerging from Rwanda, a senior administration official defended as appropriate the painstaking U.S. approach even to playing a secondary role in a UN response.

With the vote late Monday night in the Security Council, the United States agreed to support only the immediate dispatch of an 850-member Ghanaian force to the airport in Kigali, the Rwandan capital, and the transfer of 150 UN military observers to positions in outlying regions.

On Tuesday, administration officials admitted that their refusal to approve a larger peacekeeping force also reflected a disagreement with the UN secretary-general, Butros Butros Ghali, who has recommended that UN troops be sent directly to Kigali, a step the United States regards as unwise.

In her testimony, Ms. Albright told Congress that the United States believed that the peacekeepers could play a useful role in Rwanda and would be ready to agree to a large mission.

But she said the administration had believed it vital that Mr. Butros Ghali first win firm commitments from troop-contributing nations, gauge the response of Rwanda's warring factions, and spell out more clearly what the UN peacekeepers could do and how they could eventually be withdrawn.

As an alternative to Mr. Butros Ghali's plan to send all 5,500 UN troops directly to Kigali, the United States favors a strategy that first would deploy them along Rwanda's southern and western borders, where American officials believe civilians may be in greatest peril.

Only later under that "outside in" approach would the bulk of UN forces be moved toward the capital and the Rwandan interior.

Fraud Charged in Dominican Vote

By Howard W. French Jr.
New York Times Service

SANTO DOMINGO, Dominican Republic — Tensions mounted here on Wednesday as vote counting for elections held Monday neared its end amid charges by the main opposition party that supporters of President Joaquin Balaguer Ricardo had rigged the process in his favor.

With more than three quarters of the vote counted, Mr. Balaguer called himself the "virtual winner," even though only about 38,000 votes separated him from his nearest rival, José Francisco Peña Gómez. The incumbent is seeking his seventh term in office.

As Dominican Army and police units stepped up patrols in the capital, performing spot inspections of many vehicles to search for arms, Mr. Peña Gómez, 57, appeared on television here to denounce what he said was a systematic electoral fraud aimed at blocking his victory.

"They are trying to trick us," he said.

The leader of the Dominican Revolutionary Party said he was preparing to sue electoral officials over their handling of the vote and would demand a "ballot by ballot" recount.

In a critical appraisal of the elections, Stephen J. Solarz, a former Brooklyn representative who led an American observer delegation here, said thousands of Dominicans had been deliberately excluded from the voting process.

The elections have come under special international scrutiny, in part because of the Dominican Republic's role in the political crisis in neighboring Haiti. Diplomats say that Mr. Balaguer, 87, who has long had strained relations with Haiti's exiled president, the Reverend Jean-Bertrand Aristide, has done little to enforce international sanctions aimed at forcing the Haitian military to relinquish power.

No Threat By Military, ANC Is Told

Reuters

JOHANNESBURG — In a public declaration of loyalty, South Africa's white military chiefs offered an effective "no coup" pledge on Wednesday to their new black political leaders.

It was the most striking sign yet that the old apartheid state's war machine is fully under the command of onetime black outlaws who now run the country.

The assurance came from General Georg Meiring, who heads the renamed South African National Defense Force, which is integrating former guerrillas with regular troops over the next three years.

A counterinsurgency expert and once-dedicated foe of the now-governing African National Congress, the general told the Sowetan, a black newspaper, that the military was not "a threat" to President Nelson Mandela's government.

"As long as there are men with weapons in their hands, there will always be a danger that they will use them in an undisciplined way," General Meiring told the paper.

Asked if the defense force would be a threat to Mr. Mandela's fledgling government of national unity, he said he did not believe so. A well-disciplined force is less likely to be "used indiscriminately," he said.

He also promised there would be black generals on merit in the white-led, 70,000-member army, navy and air force.

EUROPEAN TOPICS

In a 'Revolution' for the British, Higher Education Gains Ground

As hundreds of thousands of students prepare for the examinations that are a spring ritual in Britain, policymakers are grappling with a surprising trend: Most 16-year-olds will not abandon their books when the tests are over and compulsory schooling officially ends.

Postsecondary education, once the pursuit of the privileged few, is expanding rapidly in Britain, reports The Washington Post.

"Years ago, nothing but a handful went to college," said Mike Read, principal of the Geoffrey Chaucer School in London's tough Southwark neighborhood. "The vast bulk went into jobs. There was no future in them, though."

Now, Britain is beginning to abandon long-standing practices that led to underachievement, a poorly skilled work force and a society divided by the aspirations of its people.

In 1988, when the surge in postsecondary enrollment began, fewer than half of all 16-year-olds continued in school or in training, and only 15 percent of 18-year-olds entered a university. Today, almost three-quarters of the country's secondary school graduates stay on for at least another year, and 31 percent opt for a university degree.

For many years after World War II, most teenagers left school at 15, and university spaces were reserved for a social and professional elite.

"It's a revolution," said Sir John Cassells, director of a national commission that has proposed radical changes in education.

The impact of the boom is evident throughout society, as students postpone earnings, schools break ground for new dormitories, employers seek older, more qualified workers, and politicians consider how to pay for a mass education system like that long enjoyed in other industrialized countries.

Around Europe

Handicapped Swiss men are planning a new campaign in Parliament against a special tax levied against all men who do not serve in the military. The German weekly Focus tells of a man named Franco who is unable to serve because he is only 1.3 meters (4-feet-4) tall, but who must, nonetheless, pay 3 percent of his income each month. The law applies to all the 430,000 Swiss men, through age 51, whose mental or physical handicaps prevent them from doing military service. The state collects some 120 million Swiss francs ($85 million) through the tax each year.

France's urban elite is attracted to its own kind, more than ever in this century. Two young social researchers, Cyril Grange and Luc Arrondel, tracked the marriages of thousands of people listed in the Bottin Mondain, a sort of Who's Who of the French social elite, from 1903 to the present. They found that among sons of urban couples in the directory, 82 percent marry daughters of couples in the book; for daughters of such couples, the figure was 72 percent. The numbers were up from 79 percent and 60 percent in the 1950-1969 period, reports the weekly Le Point. Outside the cities, the figures were much lower: 22 percent for boys, 15 percent for girls. The single factor that most increased chances of an "inter-Bottin" marriage was the father's membership in the prestigious Saint-Cloud golf club; having a father who was an artist, architect or journalist considerably lowered the chances.

Twenty-two years after it opened as the site of some of the world's most striking architecture, Olympic Park in Munich is falling apart. Recently, a 500-kilogram (1,100-pound) section of concrete facing fell off a building and landed in a parking lot near Barbara Rode, one of the 12,000 tenants of the complex's apartments. There are hundreds of such slabs in the park, some weighing 2 tons. Residents also complain of crumbling roads and sidewalks. The company managing the site says 30 million Deutsche marks ($18 million) has been spent on repairs; it's estimated that 50 million DM more will be needed.

Brian Knowlton

هكذا من الأصل

In a Final Cascade of Stones, Israelis Quit the Gaza Strip

By Clyde Haberman
New York Times Service

GAZA — Relieved about laying down the burden but nervous about what lies ahead, Israel completed its army's withdrawal on Wednesday from Palestinian towns and refugee districts in the Gaza Strip.

With the soldiers' departure, under a final cascade of stones and jeers from young Gazans determined that the Israelis would be chased out, Palestinian self-rule went fully into effect, as it did days ago in the West Bank town of Jericho.

It does not mean that Israeli forces will disappear here. Israel's agreement on self-rule with the Palestine Liberation Organization allows troops to remain at the borders and in buffer zones around Gaza's 19 Jewish settlements — areas that, combined, make up more than one-third of the coastal strip.

But for the first time since Israel took control after its victory in the 1967 Middle East war, most of the 800,000 people in Gaza's cities and camps are free of Israeli soldiers in their daily lives.

The end to the 27-year occupation "corrects a tremendous mistake," Foreign Minister Shimon Peres said.

The commander of the new Palestinian forces, Major General Nasser Yousef, asserted that although Gaza was not yet fully free of the Israelis, "It is on the way to liberation."

"When the Israelis acknowledged that this land belonged to the Palestinian people, it meant they know their presence on this land is illegal," General Yousef said at a news conference.

"This is a transitional period," the general said. "But finally they will leave — settlers and forces."

Anticipating the imminent end to its occupation, Israel began moving equipment out of Gaza many weeks ago. Last week, it started withdrawing soldiers in piecemeal fashion, abandoning one or two outposts at a time and always at night, to avoid rocks and bullets as much as possible.

For the most part, the bit-at-a-time transfer of authority went smoothly, with the Israelis pulling out of bases and Palestinian forces moving in within minutes by prior arrangement.

But on the final night, stretching into early Wednesday, hundreds of Gazan youths gathered at the few remaining army outposts to make clear that the last Israelis in Gaza City would be leaving on the run, not in a dignified march.

These children of the *intifada*, as their anti-Israel uprising is called in Arabic, did what they have done every day for years: They pelted the soldiers with stones.

And the Israelis responded in familiar fashion, with volleys of tear gas that sent acrid fumes drifting across the city one more time.

Well before daybreak, it was over.

The soldiers were gone, and Palestinians celebrated with cheers, hugs, tears and automatic rifle fire — long bursts into the air by freshly arrived police officers and by armed young men who form militias that the new authorities must rein in. So many bullets were fired that one commander said his forces had exhausted most of the ammunition that they brought with them from Egypt and Jordan.

Gaza is the key to success or failure, Palestinians and Israelis agree, and security will be a central issue. One test will be what happens to the roughly 5,000 Jewish settlers who stay behind.

On Thursday, Israeli and Palestinian forces are scheduled to begin joint patrols on several main roads, including those connecting settlements to Israel. The difficulty of their task was underlined when Palestinian gunmen ambushed and wounded an Israeli who was driving to the Netzarim settlement, a small enclave just south of Gaza city that is isolated from the major bloc of Jewish communities on the Mediterranean coast.

As for the militant Islamic group Hamas, a rival for power and a firm opponent of peace talks with Israel, General Yousef said that he had met its officials and foresaw "no problems" with them or with their armed wing that is responsible for many lethal attacks on Israelis.

"Hamas is a part of our nation," he said. "They are brothers."

Christopher Reports No Progress On Golan

By Steven Greenhouse
New York Times Service

CAIRO — Secretary of State Warren M. Christopher ended four days of intensive diplomacy between Syria and Israel on Wednesday, saying that no breakthrough was in the offing and that the parties were not ready to resume face-to-face talks.

Mr. Christopher said the two longtime antagonists preferred to continue with the current format of indirect talks in which he serves as intermediary and hops between the two countries. Several officials said Mr. Christopher would probably would return to the Middle East in the middle of June to push the Syria-Israel talks forward.

Mr. Christopher flew from Israel to Damascus, in his second trip there in four days and met for more than four hours with President Hafez Assad. Mr. Christopher then flew to Cairo to talk with President Hosni Mubarak of Egypt about the Syria-Israel talks and Palestinian self-rule in parts of the occupied territories.

Saying he did not want to breach the confidence of Israel or Syria, Mr. Christopher refused to say whether there was any progress in his talks with Mr. Assad.

After the meeting, a spokesman for the Syrian president said that major differences remained between Syria and Israel.

According to officials, Israel has proposed a three-stage withdrawal from the Golan Heights in five to eight years and is demanding in return peace and normalized relations.

American officials have made clear during the trip that they are completely behind Israel's call for a full peace and normalization with Syria. In a speech in Washington on Tuesday, W. Anthony Lake, the national security adviser, said the administration insisted on "a real peace," which he said must include full diplomatic relations, open borders for people and trade, and promoting joint economic projects.

Mr. Lake also said Washington would help ensure that Israel would remain secure after a peace agreement with Syria. "The United States stands ready to participate in the security arrangements that the parties negotiate," he said.

Mr. Lake made it clear that the United States is committed to contributing troops to a proposed international monitoring presence that would patrol the Golan Heights after an Israeli withdrawal. He also suggested that the administration would provide equipment for an electronic early-warning system that Israel has proposed for the Golan Heights, which Israel captured from Syria in 1967.

Earlier, officials involved in the mediation between Israel and Syria, said Damascus had shown a keen interest in an Israeli offer for a three-stage pullout in exchange for peace.

Israel wanted international monitors and electronic devices installed on the plateau, and a demilitarized zone extending to neighboring parts of Syria, the officials said.

Syria responded with considerable interest, prompting Mr. Christopher's return to Damascus after his talks in Israel.

Bjorn Sigurdson The Associated Press

Mr. Arafat kissing a spectator Wednesday in Oslo after paying tribute to Norway's peace role.

JIHAD: *A Clarification*

Continued from Page 1

achieve real peace, in spite of all the challenges we are facing."

Earlier, Mr. Peres vowed that "no act of terror, no action against us, will charge our course" toward achieving peace across all the region, and thanked the Norwegian people for helping to "navigate" the peace process.

President Carter had invited Mr. Peres and Mr. Arafat to Oslo to join ceremonies organized by Carter-Menil Human Rights Foundation, which this year chose to honor the people of Norway for its leadership and commitment toward peace in the Middle East.

As a gift to Norway, Mr. Carter unveiled a monument by the late American sculptor Tony Smith. The sculpture, a stark black arch entitled "Marriage," is situated on a hill above the Oslo harbor.

Later, Mr. Carter presented a check for $100,000 to the Institute of Applied Social Science, the Norwegian organization that fostered at least 14 rounds of secret negotiations between Israel and the PLO last year, along with Norway's foreign minister at the time, Johan Jorgen Holst.

Mr. Holst died this year after suffering a stroke.

Mr. Carter said he had been "somewhat embarrassed" last September that the Norwegian officials had not been singled out for more praise, when President Bill Clinton gathered world leaders on the lawn of White House for the signing of the Israel-PLO accord.

■ U.S. Reminder to Arafat

The U.S. State Department said Wednesday that Mr. Arafat's call for a jihad to liberate Jerusalem was inconsistent with commitments he made in the September accord with Israel, Reuters reported from Washington.

The State Department spokesman, Mike McCurry, said that Secretary of State Warren M. Christopher had instructed the U.S. ambassador to Norway to seek an immediate clarification of the remarks from Mr. Arafat.

The secretary of state "believes that the comments attributed to Arafat were inconsistent with commitments made by the PLO to both Israel and the world community" in the Declaration of Principles signed on Sept. 13, Mr. McCurry said in a written statement.

In the agreement, the Palestine Liberation Organization agreed not to use violence or terror, but to negotiate peacefully on the future status of Jerusalem, which Palestinians want as their capital.

"As the process of implementation goes forward, it is essential that Chairman Arafat live up to these solemn commitments," Mr. McCurry said.

TRADE: *Easing Up on Tokyo? U.S. Aides Say 'No'*

Continued from Page 1

ary," he added, referring to the summit meeting at that time between Mr. Clinton and Prime Minister Morihiro Hosokawa.

But Mr. Kantor told Bloomberg that there was no U.S. deadline for completion of the trade talks.

"We don't put any time limits," he said. "It's not productive."

His remarks and those of Mr. Summers came a day before a scheduled meeting in Washington of senior American and Japanese trade officials. The talks could produce fresh movement by Tokyo toward satisfying at least some of Washington's desires.

The meeting, between Mr. Kantor and Japan's vice minister for trade, Sozaburo Okamatsu, is expected to take up issues that were left unresolved in February by Mr. Clinton and Mr. Hosokawa. An effort to narrow the gap before the next Group of Seven summit meeting would be likely. Leaders of the seven leading industrial nations are to meet in Italy in July.

According to accounts reported in Tokyo but not independently confirmed, the Japanese team may be ready to accept specific targets in government procurement.

Mr. Summers said Wednesday that many people were under the impression, incorrectly, that Washington wanted "hard numerical targets" in nongovernment trade sectors.

The Japanese daily Nihon Keizai Shimbun reported that Japanese negotiators were expected to propose setting "some criteria" to gauge Japanese government procurement of various products, according to Agence-France Presse.

Foreign Minister Koji Kakizawa said earlier this week that Japan "might show some numerical gauges over government procurement," the agency said.

MARKETS: *Calm Returns After Fed Increases Rates*

Continued from Page 1

rates and repeat the one-two punch that strengthened the dollar earlier this month.

Furthermore, Treasury Secretary Lloyd Bentsen tipped his hand when he disclosed Wednesday morning on the front page of The Washington Post that he had played tennis with the Federal Reserve chairman, Alan Greenspan, on Sunday and told him, "I didn't want to get into a Chinese water torture on interest rates."

This was music to the ears of the bond market, which has been pleading with the Fed to abandon its tortuous process of tightening and administer all its medicine in one dose. The administration of that dose was bad news for dollar holders because it meant there was no more immediately available. That sent money into other markets looking for volatility that could bring quick profits.

"The government bond market is tired, and the only reason it may not stay calm is the dollar," said Jay Goldinger of Capital Insight in Los Angeles. "A lot of money now is going into currencies, commodities and the oil market. Everybody is showing up at the poker table and boasting he has a full house, but I'm not sure anybody does. That's what we'll find out in the markets themselves."

In Europe, investors have been so badly burned this year by the poor performance of bonds and the dollar that they are not rushing back into Wall Street. "For the dollar to advance, you need to have investment flows into dollar assets, and that is not yet happening," Andres Drobny of CS First Boston in London said.

Mr. Rolley of DRI/McGraw Hill pointed out that Japanese money is coming home from from Wall Street to help Japanese companies reliquefy, and that investment money has also been leaving Wall Street for Europe. The business cycle in Europe is finally turning up while the U.S. recovery no longer has last year's head of steam, largely powered by an unrepeatable cut in mortgage rates and catch-up automobile buying aided by low auto loan rates.

Indeed, John Smith, president of General Motors, said Wednesday that the Fed's higher interest rates would probably slow GM sales. That, of course, was exactly what the Fed had in mind, since the Big Three auto companies have just started to raise prices to capitalize on the past year's car boom.

Attention will probably shift away from the Fed for the time being. David Resler of Nomura Securities forecast that the United States now "will enjoy moderate, low-inflation growth."

"Next time," he said, "I hope the Fed will do a better job of selling its strategy and turning around policy in a way the market can understand."

ARRESTS: *500 More Held Than Previously Known*

Continued from Page 1

ing, the report said, China may still hold thousands of other prisoners nationwide. The Chinese authorities have reported that more than 3,000 prisoners are serving sentences for "counterrevolutionary" crimes, a term usually applied to political prisoners.

President Bill Clinton is expected to announce his decision next week on whether to renew China's "most-favored-nation" trade status, which allows imports into the United States at the lowest possible tariffs.

Mr. Clinton has said he will not renew the status unless China has made "significant, overall progress" in several rights areas, including the treatment of political prisoners. But the administration is under increasing pressure from the U.S. business community and some members of the Congress to renew the trading status without conditions.

Despite some recent releases of political and religious prisoners, human rights groups say, the overall rights situation has deteriorated significantly in the last year.

According to one published report, the government is preparing to charge China's most prominent political dissident, Wei Jingsheng, with treason. The Foreign Ministry called the report a "sheer fabrication." The government has been investigating Mr. Wei for unspecified "new crimes" since taking him into custody April 1.

According to a government directive, Mr. Wei is in trouble for meeting the State Department's top human rights official in February and urging him to tell Mr. Clinton to pressure China on human rights. The authorities have also sought to portray Wei as a man of loose morals. They tried unsuccessfully to have the estranged husband of his secretary, Tong Yi, press charges of adultery against him, dissidents said. Miss Tong is also in police custody.

Mr. Wei was paroled last September after 14½ years in prison for his pro-democracy activities. He ignored police orders to stop his writings and meetings with foreign journalists.

In the report, the two rights groups said China was still using political prisoners and common criminals to prepare latex gloves for shipment to the United States and elsewhere. Mr. Clinton has said that China must stop its exports of prison-labor goods to the United States if the trading status is to be renewed.

The report said that a 50-year-old man serving a 16-year sentence at Beijing's No. 2 Prison for "counterrevolutionary arson" inserted a note into a package of latex gloves for export last September. He was discovered by another prisoner, placed in a solitary confinement, and beaten repeatedly by guards using electric batons, the report said.

The prisoners detailed in the report are all in Beijing No. 2 Prison, where many political prisoners are held, and Qinghe Farm, a labor-reform camp in the nearby port of Tianjin.

Beijing No. 2 Prison was supposed to be a showcase for an inspection in January by the International Committee of the Red Cross. China is negotiating access to prisons with that group. The talks are aimed at showing the Clinton administration that China is making progress on the humanitarian treatment of its prisoners, another of the human rights conditions linked to renewal.

The visit never took place, but to prepare for the visit, prison authorities ordered prisoners to buy new bedsheets, moved sick prisoners and those with "unattractive appearances" out of areas to be visited, and installed glass panes in the windows, which are normally blocked with paper in winter. The glass was installed so hastily, the report said, that there was no time to put in putty; the panes were held in by small clips.

RADIO: *U.S. Highlights a Beijing Gesture on Rights*

Continued from Page 1

largely met these two "mandatory" conditions. He cited the recent agreement between China and the United States curbing prison labor exports and the recent easing up by Beijing on certain dissidents.

In disclosing this progress — which many human-rights groups dismiss as symbolic gestures at best — the administration appeared to be trying to lay some groundwork for what is widely expected to be a decision by the president to renew China's trade benefits by the June 3 deadline, with a few symbolic conditions.

[The White House said Wednesday that limited sanctions were among the options that should be considered. "Certainly those are among the questions that would have to be evaluated," Reuters quoted the White House spokeswoman, Dee Dee Myers, as saying.

["No final decisions have been made," she said. "We're reviewing the situation, reviewing progress that's been made, and the president will have a final decision and announcement soon."]

Many top officials seem to be coming to the conclusion that the public would easily accept a decision by the president to renew the trade status and to put this annual trade threat ritual behind him. They say that would be worth taking some hits from editorial writers.

But officials said that a decision still had to be made about the conditions that will be attached to that renewal, and that that would depend in part on what the Chinese do in the next few days.

Some advocate that the president renew China's trade status across the board, but couple it with political and diplomatic initiatives that would underscore a continued American commitment to human rights.

For instance, 106 members of the House of Representatives, from both parties, wrote to Mr. Clinton on Tuesday asking him to renew China's trade status unconditionally and to create a bilateral commission with Beijing to address human-rights issues, according to Representative Jim McDermott, Democrat of Washington, who organized the letter.

Others in the State Department and among the liberal Democratic wing in Congress argue that the president should renew China's trade status with certain exceptions. They contend that it would be politically too embarrassing, and morally too dishonest, for the president to climb all the way down on his China policy.

The betting in Congress is that Mr. Clinton's final decision will be a blend of these two approaches. That is, he would renew China's trade status, and couple that with a call for the creation of a bilateral human-rights commission with Beijing, a voluntary code of conduct for American companies doing business in China and some symbolic economic sanction to acknowledge the fact that China has not fulfilled all of the administration's human-rights demands.

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Don't Leap Into Rwanda

The Clinton administration has rightly resisted a clamor for instantly expanding a minuscule United Nations peacekeeping force to halt the human carnage in Rwanda. An ill-planned military debacle might only deepen the conflict there and jeopardize peacekeeping missions elsewhere.

The United States did agree on Tuesday to a Security Council resolution that authorizes sending up to 5,500 blue helmets once Secretary-General Butros Butros Ghali reports back on these key matters: how such a force would be deployed and for what purpose: available resources; the consent of Rwandan factions to a United Nations presence; progress toward a cease-fire; how long such a UN mandate would last. The U.S. role would be solely logistic; there is no thought of committing American ground troops.

It is simple prudence for the United Nations not to leap into an empty swimming pool. However anguishing the slaughter, there is now no effective international force for ending it. As Madeleine Albright, the U.S. envoy to the United Nations, noted on Tuesday, peacekeeping operations are clumsy affairs that are financed and run by separate member nations.

Rwanda's capital, Kigali, is now a battleground between a "government" led by majority Hutus and a rebel army led by minority Tutsis in a civil war that resumed when the Rwandan president died on April 6 in a mysterious air crash. Reports of ethnic slaughter are horrifying and credible, but military facts are far from clear. It does seem feasible to move quickly to create safe havens for refugees near Rwanda's frontiers, and to send 150 UN military observers to determine where rival armies are deployed.

The UN resolution also calls for the immediate dispatch of a mechanized battalion of 850 peacekeepers from Ghana to reinforce the small UN contingent of 400 in Kigali and to maintain security at the airport. Sending the Ghanaians, who are among the best soldiers in Africa, can assure that the airport remains open to humanitarian agencies and offer some hope to thousands of Rwandans who have sought UN protection.

Doubtless these steps will not satisfy human rights groups that appeal for major international action to save lives and prevent ethnic slaughter. But to enter this conflict without a defined mission or a plausible military plan risks a repetition of the debacle in Somalia. If the United Nations' reach once again exceeds its grasp, as Madeleine Albright warns, "we will only further undermine UN credibility and support."

— *THE NEW YORK TIMES.*

Prudent Money Policy

The decision by the Federal Reserve to raise short-term interest rates surprised no one. The increase by half of one percentage point was twice as high as many economists believe is warranted. Yet in an uncertain economic environment, the Fed's decision is a defensible move to ward off future bouts of inflation and bring order to volatile currency and financial markets.

Some will criticize the Fed's move as an unnecessary blow to economic growth. Others will say it should have raised rates even higher. The squabbling reflects disagreement about the best way for the Fed to set monetary policy in order to achieve steady growth without igniting inflation. The Fed's effort since February to nudge interest rates higher one step at a time is within prudent guidelines.

The economy is moving along at a 3 or 4 percent annual clip. Growth puts upward pressure on interest rates as businesses borrow money to expand capacity. If the Fed were to keep interest rates low, it would have to pump more and more money into the economy to satisfy the demand for loans — a misguided policy that would stimulate an economy that is already growing and thereby trigger higher inflation.

But how high should the Fed set short-term rates? The arguments for steep increases include steady growth, falling unemployment and factories operating near capacity. By the end of the year, unemployment is expected to drop well below 6 percent, a range that could ignite wage and price inflation. To keep that from happening, the Fed has to start now to rein in the money supply.

On the other hand, unemployment remains above 6 percent, retail sales are lagging and there is no current evidence that inflation is rising. The Fed has thus been forced to choose. Should it keep rates low, thereby risking rapid growth, rising inflation and a day of reckoning when it might be forced into a clampdown that could send the economy into a tailspin? Or should it lift rates, risking a slowdown in economic activity?

The Fed chose the latter course — and the reaction in financial markets was favorable. Banks raised their prime rates, the basis for many consumer loans. But long-term rates in financial markets tumbled. Apparently traders decided that the Fed's decision proved that inflation would not creep higher. They thus bid down long-term rates, which incorporate their expectation about future inflation. The Fed's three previous rate increases did not turn the economy sour. Nor, judging from Tuesday's market reaction, will the fourth.

— *THE NEW YORK TIMES.*

Waiting for Damascus

Secretary of State Warren Christopher gave a useful boost to the new Palestinian autonomy regime by traveling to Jericho and resting his security briefly in Palestinian hands. From this point on, however, such symbolic gestures are bound to play a diminishing part. The process of building an administration that its builders hope to turn into a state shifts ever more responsibility into Palestinian hands. Expanding contacts between Israelis and Palestinians will be the medium of their further mutual progress. Others can assist but, increasingly, only at the margins. In matters lying between Israel and Syria, however, things are different. There, in the absence of real contacts and some confidence, the United States has a mediator's role. Mr. Christopher is working at it this week. He has been presenting a newly elaborated Israeli position and trying to elicit a Syrian response. If the exchange starts to warm, he could help the parties bridge the inevitable gaps.

For months Prime Minister Yitzhak Rabin had been saying that Israel had to digest the Palestinian accord first before moving on to the tough but central Syria case. Now Israel has done that digesting — despite the slaughter of Arabs at Hebron, despite the killing of Jews in the West Bank and Israel proper. On Tuesday there were more deaths. But Mr. Rabin has indicated important new flexibility on questions of territorial withdrawal and abandonment of Israeli settlements in the Syrian Golan. He has set aside an earlier limited negotiating formula, which got nowhere, and transmitted to President Hafez Assad a strategic "package" on withdrawal, peace, security, timing and phases. Mr. Rabin means to draw the Syrian leader into a full dialogue on the issues that matter most to them both. Israelis are waiting for a "click" of Syrian response to that whole package.

Dialogue with Israel is not what you would call Mr. Assad's natural mode. He is more comfortable with terse minimal exchanges filtered through a third party on points principally of interest to Syria. It is not at all clear that it means more to him to play the nationalist and reclaim the Golan than to play the militant and keep using the territory as an issue demonstrating Syria's anti-Israel defiance.

But Mr. Assad knows Mr. Rabin as the Israeli with whom he negotiated a solid and strategically beneficial disengagement accord 20 years ago. He can see the region and the world changing, not necessarily to Syria's advantage. He knows, or ought to, that if Syria does not grab the ring this time around, no one can predict when it will come around again.

— *THE WASHINGTON POST.*

Other Comment

The WEU Is Still in Limbo

The Western European Union's decision to admit six East European countries and three Baltic states as "associate members" is notable more for the defense grouping's own future than for any solace it might offer countries vainly knocking at the doors of the North Atlantic Treaty Organization for full membership. The truth is that the WEU, formed in 1954, has until recent years been a largely forgotten organization.

Before the European Community — the present European Union — discovered its own inadequacies in the killing fields of the former Yugoslavia, dreams of a potential European superpower in the post-Cold War world went hand in hand with a commensurate defense arm provided by the WEU. The United States and Britain looked to the union with some suspicion, because they felt it would be at the expense of NATO. The Clinton administration has taken a more positive line and agreed at a summit meeting in January that the WEU could undertake military operations on its own in situations in which NATO did not want to involve itself, using NATO infrastructure. The French-German Eurocorps is another nascent concept which could be expanded to provide the sinews of a future European defense arm.

Still, the WEU remains a symbol and has yet to emerge out of its shell. The fault lies with the member states of the European Union and the lack of a clear definition of future goals. For the WEU remains hostage to lack of consensus and disagreements on what the future Europe should be.

— *Khaleej Times (Dubai).*

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The Way Ahead for China: More Change, Sustainably

By Ernest Stern

The writer is managing director of the World Bank. This is the first of two articles.

BEIJING — China's economy has grown at an average annual rate of 9 percent since 1978. Per capita incomes doubled in the decade to 1987. This is an accomplishment that took the United States about 50 years to achieve, and Japan almost 35 years, during their rise to industrial maturity.

China's annual exports increased by an average of around 17 percent from 1979 to 1992. Last year China attracted about 40 percent of all foreign direct investment in the developing world. By any economic yardstick, these are phenomenal achievements.

From the outset, however, Chinese leaders have had a clear vision of development as something that cannot be measured solely in terms of money. Improvement in the quality of the lives of the people has been a priority.

Progress during the last generation has been dramatic. Life expectancy has doubled. Infant morality has fallen by 75 percent, and adult illiteracy by almost two-thirds. Since 1978, an estimated 170 million people have been lifted out of absolute poverty. Few societies in history have made such sweeping progress in so short a time.

Underlying this achievement has been a carefully managed evolution from a planned to a market economy. In the past 15 years China has expanded the role of markets and the scope for competition in the domestic economy. From 1979 to 1985, this led to the fastest-ever sustained growth in agriculture.

China has opened its economy increasingly to the outside world. This has brought in large-scale foreign investment, introduced new technology, management systems, and international quality and cost standards, leading to a more than sevenfold expansion in exports since 1978.

China has promoted entrepreneurship in small enterprises in rural areas. They now account for a third of all exports, a quarter of industrial output and about 90 million jobs.

Despite these impressive advances, much remains to be done to complete the transition and to realize China's vision of a "socialist market" economy — a concept which involves not only continued growth and a strengthening of economic and financial institutions, but also steady improvement in the quality of people's lives. This vision can be realized only through a determined effort to manage the forces of change and make recent achievements sustainable.

Three major elements will shape the future: the external environment, domestic challenges, and ensuring the quality and stability of growth.

The global economy is undergoing fundamental changes with the increasing integration of capital and other markets; the revolution in economic management that emphasizes private sector approaches; global and instant communications and access to data; rapid technological progress transcending national boundaries; and the general lowering of trade barriers that culminated in the recent signing of the Uruguay Round agreement.

China has long been a center of civilization. Now it is also being looked upon as a potential center of economic gravity. It is thus time for China not just to respond to external conditions, but to help shape them.

The relative position of East Asia and China in the global economy is also changing fundamentally. The exports of the United States, Japan and the European Community to East Asia increased by 35 percent from 1988 to 1991. The value of East Asia's annual imports, more than $800 billion, exceeds that of the United States.

But it has been intra-regional trade, strongly related to joint venture investments, that has been growing most rapidly. It expanded by 72 percent in the four years to 1991.

East Asia has the potential to become one of the major growth poles of the global economy by the year 2000. China's performance will be a key factor. What China does, therefore, makes a big difference to the rest of the world.

In the sweep of history, the country has long been a center of civilization. Now it is also being looked upon as a potential center of economic gravity. It is thus time for China not just to respond to external conditions, but to help shape them. Two areas are particularly critical: trade and investment.

On trade, substantial progress has been made in recent years, and both imports and exports have grown rapidly. Nevertheless, China's tariffs and quantitative restrictions remain among the highest in East Asia. The time is ripe to launch a bold program of import liberalization that assures a steady reduction in quantitative restrictions, consolidation of tariffs into fewer categories at lower rates, and a simpler customs administration.

This further opening up would contribute to making China a full member of the international trading community. It would also benefit domestic consumers by gradually introducing competitive pressures for quality at lower prices. Moreover, greater openness will generate greater employment.

China has been an attractive destination for foreign capital in recent years. Net direct investment from overseas in 1993 amounted to $20 billion. But, as other countries have discovered in the past, some of those flows can be volatile. Steps must be taken not only to ensure that China's investment climate remains competitive, but also to encourage high-quality investment, to support improved technology and financial services, for example. That kind of investment will facilitate China's "hookup" to the global economy and enhance its leadership role.

The second major force of change is the special problem that all large nations with many different regions and constituencies face. A balance has to be found between economic growth and equality of opportunity; between local interests and national interests; between rural and urban needs; between centralization and participation.

To be competitive in the global arena requires agility. This in turn requires a large degree of decentralization, private initiative and strong institutions so that the country is diverse and flexible and can react to change with minimal disruption. It also requires a framework of incentives, regulatory supervision and taxation that can ensure fairness and equity. Building that capacity requires continuous investment in learning and broadening participation in economic decision-making.

The quality and stability of growth is the third element that will shape China's future.

While recent economic expansion has been spectacular, it has taken place against a background of severe imbalances among regions and income groups, rapid changes in relative welfare among people and regions, increasing environmental destruction, and periodic bouts of high inflation. In addition, China's very high growth rates have been largely the result of very high investment rates. Major underlying issues of productivity improvement remain to be addressed.

We know from worldwide experience that macroeconomic instability impedes the momentum of reform, heightens income disparities and social tensions, and impairs domestic and international confidence in the economy. This makes the cyclical pattern of China's growth, particularly the recent intensified heating, a matter of serious concern.

Despite the government's adoption of corrective measures last summer, inflation in major Chinese cities reached around 20 percent in 1993. The crucial challenge now is to complement the government-administered measures already adopted with more market-based instruments and reforms that will promote long-term stabilization.

Such reforms would include improving fiscal and monetary discipline; expeditiously strengthening the independence and authority of the central bank; assuring that the banking system operates on a commercial basis in the allocation of credit and management of portfolios; restructuring the tax system, particularly the fiscal relationships between the central and provincial authorities; and strengthening regulatory frameworks to create more transparent rule-based systems.

These measures would help to mitigate the immediate overheating problem, improve domestic resource allocation and encourage continuing flows of capital into China. They will also help to lay the foundations of a modern economy, increase productivity and build the flexibility needed to adjust quickly to changing circumstances.

State enterprise reform is another area requiring urgent attention.

This comment was adapted by the International Herald Tribune from an address last week at an international conference in Beijing on the future of China's economy, organized by the Herald Tribune and China's State Commission for Restructuring Economic Systems.

In Britain, Too, a Centrist-Inclined New Generation on the Left

By Jim Hoagland

LONDON — What Bill Clinton began in America, Tony Blair and his centrist allies in the Labor Party now have a chance to complete in Britain. They could achieve a trans-Atlantic generational change that would transform politics and policies in both countries and perhaps in the Atlantic alliance.

The sudden death of the Labor leader John Smith last week and the opening of a contest of succession have turned the British political landscape into a scene that closely resembles America, circa 1992:

Tired, visionless incumbents exhausted by a long run in power face inexperienced challengers hungry to win and wired into the new, free-floating concerns of the electorate. Voters may well confront a choice between inexperience and exhaustion when they go to the polls here, too.

That at least is how the contest will look if Mr. Blair, 41, the talented and disciplined odds-on favorite to succeed Mr. Smith, wins Labor's leadership contest this summer. As Mr. Clinton did with the Democrats, Mr. Blair must first tame Labor's doctrinaire left wing if he is to go on to win the general election likely to be called in the next 24 months.

Drawing political comparisons across national boundaries is usually pointless and misleading, even in countries as similar as the United States and Britain. Local concerns, idiosyncracies and traditions unfamiliar to the comparison-drawer can outweigh the more visible resemblances.

But since the end of the Cold War the political ground does seem to be moving in the same direction in the major nations of the Atlantic community. In America, Britain, Germany and France, centrists of a liberal cast have captured or are on the verge of capturing major parties that have been under the control of doctrinaire left-wing activists for much of the past two decades.

These centrists advertise their belief in change, private enterprise and toughness on crime rather than any attachment to doctrine. They are seeking new and broader bases of support for large popular parties once dependent on labor unions.

Germany's elections in October offer the next big opportunity for the swing of the pendulum to continue. The older conservatives of Chancellor Helmut Kohl's ruling coalition currently trail the revitalized Social Democrats, led by Rudolf Scharping, 46, in opinion polls.

In France, ever out of step with its partners, the Socialists are likely to lose the presidency next year. But they are likely to continue under Michel Rocard's leadership to move away from their Marxist-influenced past.

It is here in Britain that Mr. Clinton's breaking of the generational mold in politics may have its greatest impact. I know no keener foreign student of Mr. Clinton's successful drive for the presidency than Mr. Blair, a fairly regular visitor to the United States in recent years and an articulate, perceptive observer of the American political scene.

Such travel and reporting are a measure of the ambition and the skill of Mr. Blair, who is Labor's spokesman on domestic affairs. His command of domestic issues frequently gives him the better of the House of Commons debates with his opposite number in the Conservative cabinet and helps mark him as the leading candidate to succeed Mr. Smith, 55, who died of a heart attack on May 12.

Mr. Blair and Gordon Brown, 43, who is Labor's spokesman on finance and economics, are termed "modernizers" for their work in leading Labor away from rigid positions on issues that lost the party four successive elections: nuclear disarmament, tax increases, opposition to European economic integration and the power of labor unions.

In an important measure of how far the Cold War has receded in shaping domestic politics, none of those issues figure prominently in the jockeying to succeed Mr. Smith.

Instead, if Mr. Brown edges out his friend Mr. Blair it may well be because he attended state schools in Scotland while Mr. Blair was educated at private schools. Mr. Blair's commitment to class warfare is suspect among Labor's "traditionalists" from England's north because of his popularity with the middle-class and upper-middle-class communities of southern England that have faithfully supported Margaret Thatcher and the Conservatives.

The new Labor leader will be chosen by an innovative electoral college in which at least a million party members will vote, probably in July. The process will resemble a Democratic Party primary season. Mr. Blair's widely acknowledged telegenic appeal could be decisive in such an open contest and would cause many to conclude that British politics have been seriously "Americanized."

There would be some truth to that. Tony Blair would be an impressive candidate on either side of the Atlantic. But there are larger forces at work in the politics of the Atlantic community that have to do with generational renewal and managerial competence on social issues. The contest shaping up in Britain will show if Clintonism is a trans-Atlantic phenomenon.

The Washington Post.

While Labor Regroups, Tories Squabble in Decline

By William Pfaff

PARIS — The death last week of the British Labor Party's leader, John Smith, casts both of Britain's leading parties into uncertainty. Mr. Smith had done much to lead Labor away from the left-wing sectarianism that has kept it from office for the better part of two decades. That struggle has resumed as Labor looks for a new leader, but in circumstances which see the governing Conservatives in grave political difficulties.

The Conservatives' problems focus on Europe, although the party's divisions run deeper than that. The most recent eruption of dissidence has seen a demand by the party's right wing for a new national referendum on Britain's role in Europe. After 22 years in the Community, a sizable part of the British population still is not convinced that Europe is where they really want to belong.

However, the European club is popular with Labor voters, and what goes on among the Conservatives is mostly sport for the Tories, a way of tormenting John Major, the prime minister. There was a referendum in 1975 over continued British membership in the Community, which produced nearly a 2-to-1 national majority in favor of Europe. Today nothing indicates that the same question would not get the same answer.

However, the referendum now demanded would ask a different question: whether, in line with the programs set out in the Maastricht treaty, Britain should go still deeper into Europe, accepting a common currency and aligning its foreign and security policies with those of its neighbors.

The question of Europe's further integration is an exotic concern for the moment. It will not come up before a Maastricht treaty review conference in 1996. If that conference should decide on new programs of integration, the British public might vote "no" in a referendum. But that is two ifs away, and Europe is in such disarray at the moment that one must doubt that in 1996 the British would find much of interest to vote against.

The proposal for a referendum on Europe contributes to the present surrealism of Tory politics, where an endless struggle goes on over leadership of the party. In recent local elections the Conservatives experienced disaster, worse even than had been expected, losing a third of the local government offices they previously had held. Polls show Tory popularity presently at the lowest point in the historical record. Another Tory disaster is foreseen in elections for the European Parliament next month.

Prime Minister Major is accordingly under terrific pressure to quit — or be ousted in a coup like the one which turned Margaret Thatcher out three and a half years ago. No parliamentary election is necessary before 1997, but the Tories cannot expect to stumble on through the scandals and blunders that have been their recent experience and still win again.

Margaret Thatcher both reinvigorated the Conservative Party during her 11 years in power and ruined it for her successors. She destroyed the old Tory party, dominated for generations by patricians, their nominees from the middle class who wanted to become patricians and the new rich who wanted to be treated as patricians. Their policies served their own interests, but took for granted a larger social responsibility, even if this was paternalist in inspiration.

Mrs. Thatcher handed the party over to upwardly mobile go-getters of lower-middle and working class origins who despised the patricians for their softness and paternalism, and to a band of radical theorists who believe that the social conscience is an obstacle to the proper functioning of the economic marketplace, sole determinant of human value and progress.

The result is a soulless party. This is the real cause of its present difficulties. The obsession of its current leaders is with power itself, rather than with power in order to accomplish something. Mrs. Thatcher thought she was making a better Britain by causing radical change. The present leadership lacks that excuse.

Power, of course, is what inspires political careers everywhere, but successful political careers ordinarily incorporate some larger ambition. There is no sign of larger ambition in the struggle now being waged over the unfortunate Mr. Major's succession.

There is in the parallel competition for the leadership of the Labor Party. That could make the difference when a general election finally arrives.

International Herald Tribune.
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America's Know-Nothings Are Back

By Anna Quindlen

NEW YORK — Those residents of his district in Texas who like to pop off without bothering with facts or fine points must surely feel ably represented by Dick Armey, their man in the House of Representatives. His reputation for quick-on-the-draw characterizations was reinforced the other day when, during discussion of abortion coverage in a national health care package, he described women who chose the procedure as "self-indulgent" and "damned careless."

This conjures up the kind of person who some suspect accounts for the vast majority of abortions in America: a 16-year-old on her third boyfriend and fourth pregnancy who skips school, swears by the soaps and thinks idly that someday she might get around to the Pill.

It's a great stereotype for those, like the congressman, who oppose legal abortion. But in fact only a quarter of all abortions are performed on teenagers. About 17 percent of the women who have the procedure are married. In 1987, one out of every six abortion patients described herself as a born-again or evangelical Christian. More than half the abortion patients in one survey said they had been using birth control when they became pregnant.

The truth is that there is no stereotypical abortion patient, whether in her indulgence of self or in her absence of care. It is only cheaply convenient to pretend there is.

But Mr. Armey is not alone in his use of stereotype, myth and deeply held nonsense as an adjunct to public policy, what we in the news biz call never letting the facts get in the way of a good story.

In Florida a school board has just passed a resolution requiring teachers to make clear in the classroom that America is "unquestionably superior" to any other society, culture or political system in all of human history. The board's chairwoman, who had also championed the teaching of creationism in the science curriculum, responded to a statewide policy on multicultural education by passing a counter-resolution that would require students to be taught that "we are the best of the best."

This, explained one of her allies, will make them more enthusiastic if they ever go to war.

It would be soothing to learn that the members of the board came to this conclusion after an exhaustive study of the Greek and Roman empires, the Italian Renaissance, the Industrial Revolution, Zen Buddhism and Hammurabi. But they are of the opinion that none of that is necessary.

"Our form of government is superior to other nations because it has survived when others have fallen," said one member of the school board majority, apparently unaware of the fact that, in the span of world history, America's two centuries are as the blink of an eye.

In this one official act the members of the board have taught the students of Lake County, Florida, some overarching concepts that are bigger than math or history, writing or study skills. That fact-finding is unnecessary and jingoism is a quick and easy substitute for intellectual rigor. That catch phrases and conclusions are more valid than critical thinking and individual opinion.

It is so much easier to spit out stereotypes about women who have abortions than to study statistics and talk to real people about their real reasons. It is so much easier to assume that you are superior than to take the time to learn about and dissect other cultures. The first is not responsible representation, the second not real education. But never mind; here only conclusions count.

Perhaps the poor history teachers in Florida saddled with this new policy would find it useful to do a unit on a political movement that took much of America by storm more than a century ago by appealing to fear of widespread immigration and the resulting introduction of other cultures into America's towns and cities.

The group prospered by fomenting hatred against new arrivals: the Germans, the Irish, above all the Catholics. Prominent politicians joined the ranks, and fear-mongering managed to land some of the best known in high office.

The group was called the Know-Nothings, and certain history books conclude that their movement went bust less than two decades after it began. But some days you have to wonder whether the Know-Nothings have been resurrected, more worthy of the name than ever before.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: 'A Perfect Misery'

LONDON — William Cranfield, thirty-five, a one-legged organ grinder, was charged at Lambeth yesterday [May 18] with having assaulted his wife. The prosecutrix said he returned home drunk, banged her head and then kicked her. She jumped out of the window. Mr. Biron: "Has he thrashed you before?" Prosecutrix: "Oh yes! My life has been a perfect misery. He is a good husband when sober." The prisoner said he had great provocation. He could not have hurt his wife much as he had only one leg. Prosecutrix: "He has thrown his wooden leg at me many times." The prisoner was remanded.

1919: German Mischief

BRUSSELS — The Germans, hoping that the choice of Geneva, as the seat of the League of Nations, would generate anti-Swiss feelings in Belgium, have been trying to provide Switzerland with an anti-Belgian grievance. With the help of their secret agents in Berne, they have spread in Switzerland the report that, since the Armistice, thirty-six Swiss have been imprisoned in Belgium, violently attacked by the people in the Brussels streets, and brutally treated in jail. The incident shows that Germany, while begging admittance to the League of Nations, is still doing all she can to stir up international strife.

1944: Missionaries Die

ALLIED HEADQUARTERS IN AUSTRALIA — [From our New York edition:] A Roman Catholic bishop and fifty-nine other missionaries were killed outright or died of injuries when Allied planes strafed a Japanese prison ship off the New Guinea coast, it was asserted here today [May 18] by a Dutch priest, Father Willem van Baar, Superior in Australia of the Society of the Divine Word. His report was quoted in an official Netherlands and Netherlands Indies news agency bulletin.

OPINION

How to Alienate Friends And Embolden Enemies

By E. J. Dionne Jr.

WASHINGTON — President Bill Clinton's political enemies truly detest him and see his defeat, even humiliation, as the essential task of the moment. His political allies do not act in a way that demonstrates a comparable interest in his personal success. Oh yes, Democrats and liberals will mostly come to Mr. Clinton's defense on policy. But there has been little rallying around the president in his times of personal trouble.

There is, from Mr. Clinton's point of view, a charitable explanation for this difference that contains part of the truth: His conservative enemies understand the stakes of his presidency better than liberals do. Conservatives see in Mr. Clinton a man who might, over time, restore popular faith in active government, who is willing to raise taxes on the rich, offer a sweeping health care plan, take on and beat the National Rifle Association. Worse for the conservatives, Mr. Clinton is adept at stealing their best issues — crime, welfare reform, even family responsibility.

Conservatives simply cannot risk seeing Mr. Clinton succeed. And some in their ranks are willing to do anything to defeat him, even if that means dragging public life down into the gutter.

Liberals, on the other hand, seem more eager to moan privately about Mr. Clinton's flaws and to argue that he is not going far enough on this issue or that one than to join in defending a common project. The health care issue is a case in point. While the enemies of reform were gearing up, friends of universal coverage were spending much of their time lobbying for pet causes — expanded mental health coverage, for example — and whining about problems with the Clinton approach. Supporters of health reform spent so much time fighting one another that they did not notice the heavy guns pouring in shells from the opposing camp, which started winning the broader battle over whether there will be any health bill at all this year.

If the story ended there, one could argue that poor Bill Clinton is simply the victim of conservative bloody-mindedness and liberal self-destructiveness. But there is more to it. Mr. Clinton has contrived to make this problem much worse by seeming at crucial moments to be irresolute, even bewildered. Last week's bizarre quest for a Supreme Court justice is the latest example of Mr. Clinton's propensity to alienate friends and embolden enemies.

The difficulty does not lie with his ultimate choice, Judge Stephen Breyer, an intelligent moderate much respected within the federal judiciary. But Mr. Clinton took a defensible choice and turned it into a personal defeat. For it was he who let the word go forth that he was not really crazy about Judge Breyer, that he wanted to name a thoughtful politician to the court. Interior Secretary Bruce Babbitt seemed just the person, and Clinton aides let it be known that his nomination was imminent.

Enter Senator Orrin Hatch with the ridiculous smear that Mr. Babbitt was a favorite of the "far left." Mr. Hatch, a Utah Republican, does not much like Mr. Babbitt's efforts to get Western ranchers to pay something closer to market rates for the use of federal lands, and he pledged to battle against him.

Mr. Hatch's attack on Mr. Babbitt as some sort of leftist ideologue was absurd. Mr. Babbitt was the prototype of the moderate "New Democrat" when he ran for president in 1988. And it seemed clear, even to Republicans, that he would win confirmation. Moreover, Mr. Clinton had publicly considered and rejected Mr. Babbitt for the court last year. Would the president do this twice to someone who was carrying one of the toughest portfolios in his government?

Mr. Clinton cut and ran, dispiriting supporters who thought that he meant what he said about looking for a different kind of justice this time out.

"I do feel that he sometimes can be pushed and pulled by political considerations, polls, whatever," Senator Patrick Leahy, Democrat of Vermont, said on "Face the Nation" Sunday. "And you have to stand up every so often and just say, 'Look, this is what I'm going to do.'"

Mr. Clinton, of course, has taken on more than his share of big fights. And there is nothing immoral about compromising to win support for a broader objective. But it is a mistake to give way when doing so tells your friends that you won't fight and your enemies that they can roll you. If Mr. Clinton won't stand up for Bruce Babbitt against Orrin Hatch, why should the president expect other Democrats to stand up for him?

Part of the problem here goes to Mr. Clinton's governing style: There was no reason to let this decision go down to the wire, especially since Mr. Clinton had ample notice that Justice Harry Blackmun was retiring. If even a month ago Mr. Clinton had decided that he did not want a fight and named Judge Breyer, there would have been some grumbling from liberals but no embarrassment of Mr. Babbitt, no public caving to Mr. Hatch, no commentary on indecisiveness.

Precisely because so much is at stake in the success or failure of his presidency, Mr. Clinton cannot afford the ad hoc, last-minute style of deciding things that he seems so fond of. Wherever he has control, he has to pick his fights in advance with an eye toward his broader goals. Sometimes it is worth fighting, even with your friends, to show you have principle. Sometimes, it is worth picking a fight to remind your political friends that they really do have a stake in you — and you in them. Democrats need to realize as well as the right does how much hangs on the Clinton presidency. But only Mr. Clinton can convince them of that.

The Washington Post.

The Muckrakers Managed To Surmount Their Scruples

By Richard Harwood

WASHINGTON — "Late last year," The Economist magazine reminds us, "the press had a choice between two sorts of potential presidential muck ... money and sex." We in the American press chose the money (Whitewater). The sex (new tales of philandering by President Bill Clinton) was passed over.

An ostensible reason for this decision was our squeamishness about the ethics and propriety of digging into Mr. Clinton's private behavior. Another was

MEANWHILE

squeamishness about our own reputations. It had become, Newsweek would say, conventional wisdom that the use of newspaper sex squads is a trashy tactic. So we declined to "soil the breakfast table" (a promise of the first Ochs at The New York Times) or soil our own images by publishing various versions of the sexual history of Bill Clinton. It was to be a most temporary abstention.

All along, there has been little doubt in the minds of many journalists that salacious tales about the president were true or approximately true and that at times he had been recklessly promiscuous. As the editor of the now defunct Arkansas Gazette has put it, "Most Arkansans have never thought Clinton was monogamous" but thought it impolite to publish the facts. He was a member of the sexually liberated baby-boomer cohort that scorned ancient taboos about liberal sex.

This revolution, begun in the 1960s, has accelerated to the point that 40 percent of American teenagers now lose their virginity by the ninth grade and 70 percent are sexually active by their senior years. The number of babies born to unwed mothers now approaches 1 million a year. As the illegitimacy rate climbs, social disapproval evaporates.

Today's journalists, in the main, grew up in this climate and, like most Americans, are generally sophisticated and blasé about sexual behavior. Who sleeps with whom is a popular and nonpejorative subject for gossip because we hear it all discussed on the talk shows, see it all in films and television productions and read all about it in magazines and newspapers.

Exposed to a barrage of Clinton rumors and allegations two years ago, we Americans responded by electing him president. Fewer than 5 percent of the electorate thought "morality" was a burning issue.

There is one exception to these attitudes of live and let live. It is called "sexual harassment." It is a product of the feminist movement and has become a canon in the drive for political conformity that preoccupies the press, large business corporations (fearful of lawsuits), politicians (fearful of the feminist lobby), academicians and the intellectual community in general. It has also become a profitable business for plaintiffs and their trial lawyers, and has stigmatized (fairly or unfairly) countless males who in past years may have been seen as office clowns but are now seen as brutish slobs.

Once "harassment" entered the picture, the press's promises to stop peeking into bedrooms, yachts and the back seats of family cars were abandoned instantly. The president's alleged sexual history is back on the front pages and the evening news shows, and will be around for many months.

We will seek out the alleged victim of harassment and anyone else who may have encountered Mr. Clinton in a moment of passion. We will investigate and produce profiles of the lawyers, witnesses, judges and ex-boyfriends of the women involved and most likely will go back to the friends and girlfriends Mr. Clinton acquired during his years at Georgetown, Oxford, the University of Arkansas and as a young politician. We will explore the political and financial motives of this cast of characters. We will write about constitutional issues, presidential immunity, presidential ethics, statutes of limitations and perhaps even impeachment scenarios. One way or another this story is going to have a long life.

Why? The press knew all about these charges against Mr. Clinton months ago — every delicious detail: that while governor of Arkansas in 1991 he had Paula Corbin Jones, a minor clerk in the state bureaucracy, brought to his hotel room, where he propositioned her and was rejected.

She offered her story to the press. The major papers and networks ignored her, calling her claims irrelevant and unsuitable for publication.

Only one thing has changed since then: She has repeated the story in a lawsuit. This transforms a little hotel room encounter from a "tabloid tale" into a major "social issue," a case study in the animalistic abuse of women in a sexist society. Why the press did not see it that way when Mrs. Jones first recounted the incident is something the editorial writers and captains of our industry ought to explain to us.

Russell Baker, a pseudo-rube from Leesburg, Virginia, tells us in The New York Times that he was inspired to pontificate on the many ramifications of the Clinton-Jones case but was overcome by the hypocrisy of it all.

"I am struck," he said, "by the ridiculous solemnity in which Americans try to conceal their prurient obsession with sex." The media's mission, when you get beyond the rhetoric of "finding truth and doing justice" is primarily to "gratify a sex-drenched society's passing delusion that it is not sex-drenched at all, but purer than Hester Prynne's home town.

"There they all are — senators, lawyers, political giants, great editors, brilliant columnists — all poring over these evidences that sexual foolishness has been amok in our land. Horrors!"

Horrors, indeed. I breathlessly await the text of the depositions, brought to us soon, we hope, as a public service by the virgin press. We shall read them, not for the spice, but in fulfillment of our civic duties.

The Washington Post.

LETTERS TO THE EDITOR

End the Cuba Embargo

Regarding "Cuba: Don't Reward Castro, Tighten the Embargo" (Opinion, May 16) by Vicente Echerri:

Mr. Echerri's article is vitally wrong. You do not bring democracy to countries by tightening embargoes. The end of communism in the East bloc countries and the ex-Soviet Union was not brought by embargoes. It was brought by diplomacy and trade.

President John F. Kennedy was moving toward dropping the embargo against Cuba when he was assassinated. If he had succeeded, Cuba would be a different country now and Fidel Castro would not be its ruler. If the sanctions had been dropped in 1964, Cuba would have involved itself in trade with the United States and would not have been dominated by the Soviet Union.

The administration of President Bill Clinton should drop the sanctions against Cuba. Once that is done, you will see dramatic and positive changes in Cuba. By the time Mr. Clinton finishes his first term, Cuba will have moved toward democracy.

PIERRE SALINGER.
Washington.

A Proper Trade Formula

Regarding "Clinton Needs a Flexible Trade Freeze With China" (Opinion, May 17) by Michael A. Santoro:

The writer proposes that the Clinton administration freeze China's favored trade status until it improves human rights. He proposes granting favored treatment to imports from China up to last year's level, and subjecting additional amounts to higher tariffs. This, he suggests, is unlikely to produce Chinese retaliation and will keep the pressure on China to improve human rights.

What would be the effect of this two-tiered tariff? It is hard to see why the Chinese would not retaliate in exactly the same way, preventing the growth of U.S. exports to China. Since the quantities of Chinese goods sold in the United States would be restricted, the American prices of those goods would rise, lowering the American standard of living and raising the profit levels of Chinese firms.

A better policy would be one that rewards the virtuous, punishes the villains and benefits Americans. Why not unilaterally eliminate "voluntary" import restrictions on shoes, textiles and other goods from all countries with laudable human rights records? At the same time President Bill Clinton could announce that henceforth no anti-dumping actions will be brought against countries with satisfactory human rights records. This policy would divert investment from countries with shameful human rights records to those with laudable ones. It would lower prices in the United States of affected goods, and it would reduce profits on the Chinese exports that still make it into the United States.

EDWARD TOWER.
Kuala Lumpur.

For the Iraqi People

Regarding "Questions Related to Saddam" (Opinion, May 4) by William Safire:

If Mr. Safire really cares about the plight of the people in the region, then the embargo against Iraq is no answer. Instead, the Gulf War allies should seek ways to prevent the supply of parts and technologies to Iraq that might be used to produce weapons of mass destruction.

French companies played a leading role in the past in arming Saddam's regime. According to Mr. Safire, they seem to be ready to play that role again. I would urge French human rights advocates to intensify their campaign against their own state, not against Turkey.

MUTLU AYMAN.
Ankara.

Cherchez le Right Word

Regarding "Bill to Outlaw Some Uses of English Nears Approval in French Legislature" (May 6):

There is more French in the English language than English in the French. That's what makes English so rich. It enables us always to select *le mot juste.*

NORMAN SANDERS.
Drammen, Norway.

BOOKS

LIFE OF THE PARTY:

The Biography of Pamela Digby Churchill Hayward Harriman

By Christopher Ogden. 504 pages. $24.95. Little, Brown.

Reviewed by
Diane Middlebrook

TRUMAN CAPOTE thought that Pamela Digby Churchill Hayward (later Harriman) had never read a book. She had better not start with this one — "Life of the Party" doesn't seem to have been read even by its author before going into printed pages. Apparently constructed as an appendage to its own index, it offers the lumpy example of the kind of journalism made possible by access to an electronic information dump. The resulting narrative can be described as Early Cyborg.

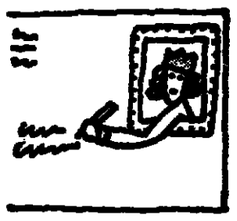
And yet what material it is! At age 66 Pamela Harriman became, according to Ogden, "one of the world's wealthiest widows" and at age 73, after helping Bill Clinton become president, was named ambassador to France. Triumph in old age is rare enough in any life; in this one, almost inconceivable. Harriman survived all the disadvantages of protracted bimbohood and of significant miscalculated alliances, both romantic and political, before achieving the twin peaks of $100 million and a Washington power base. How did she do it?

WHAT THEY'RE READING

● **Hervé Mouren**, president of Bull France, is reading *"Les Lettres de la Princesse Palatine"* (The Letters of the Princess of Palatine.)

"Living in France between a homosexual husband [the king's brother] and an autocratic brother-in-law [Louis XIV], this German princess was able to show on the one hand how the status of women could improve and on the other, the beginnings of modern Europe."

(Elisabeth Hopkins, IHT)



Ogden organizes the book as a ladder, each chapter focused on a man whose support Pamela sought and rarely failed to acquire. Pamela Digby was born into the English aristocracy in 1920. She received the upbringing regarded among the landed gentry as suitable for a young lady destined for marriage to a country squire, but teenage sojourns among the rich in Europe, New York and Toronto whetted her appetite for more worldly men. Following her London season as a debutante in 1938, her family shipped her back to Dorset for safekeeping.

Then the war came to her rescue. Various family connections found work for her as a French translator at the Foreign Office in London, set her up in bachelor-girl digs, and arranged a blind date with Randolph Churchill, the only son of Winston Churchill. On their second date, Randolph proposed marriage: Expecting soon to be sent to the front, he wanted to produce an heir. Pamela obliged. She was 19.

Winston Churchill was prime minister, and for protection Pamela, too, was housed in the official residences at 10 Downing Street and Chequers when she was expecting young Winston, who was born in October 1940. The nightly terrors of the London Blitz brought Pamela and her in-laws intensely close during her pregnancy and the baby's infancy, a bond that outlasted her marriage to Randolph by many years. The only damages Randolph sustained during the war were enormous gambling debts, but these drove Pamela Churchill back on her own resources. She stashed the baby with a nanny at the country home of his godfather, Lord Beaverbrook, and returned to secretarial work in London. Early in 1941 she became the mistress of Averell Harriman, Roosevelt's Lend-Lease envoy to Britain, and spent the next two years acting as Churchill's and Beaverbrook's go-between in a ploy to involve the Americans ever more deeply in the war.

The affair with Harriman ended in 1943 and did not become a marriage until 1971, following the deaths of spouses on both sides and in Pamela's case, after numerous other high-profile affiliations. Edward R. Murrow, Gianni Agnelli, Aly Khan, Elie de Rothschild were her lovers during the years before her marriage to the producer Leland Hayward in 1959.

But despite its title, "Life of the Party" is not exactly about a party girl. According to Ogden's sources, Pamela didn't care much about sex, one way or another. Her social life was her profession: Abandoning motherhood except in name, she made a career out of serving as a savvy conduit among powerful men.

Ogden does not delve into the complexity of the character that made these attachments possible, or necessary. In lieu of a psychosocial portrait, the author provides a range of labels. To men Pamela is many things: "the greatest housekeeper of all time," "an artist at providing service," "a superb nurse," "an English aristocratic tart," "a geisha girl who made every man happy." To nervous wives she is a dreaded "widow of opportunity." We get tantalizing glimpses of the discipline with which she acquired expert knowledge in many fields but few clues as to what was going on in her head.

This is partly because Pamela Harriman is still alive and can speak for herself, or through her lawyers. Ogden proudly describes his book as "unauthorized" (by which he probably means "uncommissioned") but acknowledges that the project grew out of a financially attractive invitation to ghostwrite Harriman's autobiography. He interviewed her intensively for six months before Harriman lost confidence and Ogden lost permission to quote. Perhaps this slapdash production is the outcome of a desire to cut his losses.

Diane Middlebrook, the author of "Anne Sexton: A Biography," wrote this for The Washington Post.

BRIDGE

By Alan Truscott

HARRY HUTZLER, as South, arrived in six hearts after an opening three-spade bid on his left.

South won with the ace in dummy, since the queen was likely to be with East. He then cashed the heart ace, intending to follow with the king, and thought matters over when the jack appeared from West. It did not seem likely that West had begun with two singleton, but there was a psychological clue available.

NORTH
♠ K 8 5
♡ A K 6 2
♢ A 10 9 4
♣ A K

WEST (D)
♠ Q J 10 9 6 4 2
♡ J
♢ J
♣ J 9 7 6

EAST
♠ 7 3
♡ Q 10 5 4
♢ Q 8 7 3
♣ 10 4 3

SOUTH
♠ A
♡ 9 8 7 3
♢ K 6 5 2
♣ Q 8 5 2

North and South were vulnerable.

The bidding:			
West	North	East	South
3 ♠	Dbl.	Pass	4 ♡
Pass	5 ♡	Pass	6 ♡
Pass	Pass	Pass	

West led the diamond jack.

"I sensed happy vibes from East," Hutzler reports, "so, right or wrong, I assumed a 4-1 trump split." The opening bid suggested a doubleton spade with East, and therefore a 2-4-4-3 distribution.

South cashed the spade ace and the club ace. He followed with the club king, and led the diamond ten for a winning finesse. A club was discarded on the spade king, and the closed hand was entered with a diamond lead to the king. The club queen was cashed, allowing a diamond discard from dummy, and a diamond was ruffed. This stripped East of all his cards outside the trump suit and left this ending:

NORTH
♠ 8
♡ K 6
♢ —
♣ —

WEST
♠ Q J
♡ —
♢ —
♣ J

EAST
♠ —
♡ Q 10 5
♢ —
♣ —

SOUTH
♠ —
♡ 9 8 7
♢ —
♣ —

When dummy's spade was led East found that his two trump tricks had shrunk to one.

HEALTH / SCIENCE

Page 2

Of Sex and Men

By Natalie Angier
New York Times Service

NEW YORK — Women may not find this surprising, but one of the most persistent and frustrating problems in evolutionary biology is the male, specifically, where did he come from, and why doesn't he just go away?

After many years of rubbing their chins so hard they are practically scraping bone, scientists say they still cannot explain to their satisfaction why the great majority of species on earth reproduce sexually. It would be so much easier and more sensible if females were to do the whole reproductive business solo, either by making simple clonal copies of their eggs — as do some lizards and fish, for example — or by manufacturing in-house the sperm needed to fertilize the eggs, as do some worms and snails.

Instead, in most species, a female relies for her genetic survival on sex with a male, a bearer of semen and usually not much else. In so doing, she makes substantial sacrifices.

Her offspring end up with only half her genes, rather than the whole portion borne by the children of asexual mothers. The mating ritual itself is often time-consuming, complicated and risky. And to top it off — oh, injustice! — the male typically makes a swift postcoital exit, leaving the female to rear her offspring alone.

Now a researcher from the University of British Columbia offers results that only deepen the mystery of why males arose on the evolutionary stage and why females continue to tolerate them.

Reporting in the the journal Nature, Dr. Rosemary J. Redfield of the department of zoology demonstrates that a female, by mixing her chromosomes with a male's, perpetually attempts genetic disaster.

It turns out that the male's sperm cells are likely to be riddled with far more genetic mutations than are the female's eggs — anywhere from 2 to 100 times more mutations, depending on the species. And given that most genetic alterations are undesirable, possibly resulting in disease or frailty in one's offspring, the female appears to be getting a lousier deal from sexual reproduction than scientists previously had imagined.

"We take it for granted that all reproduction should involve genetic contributions from male and female parents, possibly because sex is such an essential and engrossing part of our own lives," Dr. Redfield said. "But in fact, we still don't know why this kind of reproduction evolved and has become so common. Rather than helping to solve this controversy, my paper points out that the problem is worse than we had thought."

The discrepancy in mutation rates among males and females is a simple matter of cell division. Because a male generates so much more sperm than a female does eggs, his sex cells are dividing comparatively faster and more often. It is during cell growth, when chromosomes are being copied for apportionment into two new cells, that the greatest likelihood of genetic missteps arises.

Scientists have long suspected that males may be responsible for the great majority of new mutations that appear in a population of animals, but they have only just begun to gather supporting evidence from DNA studies. ong humans, the rate of mutation in a man's sperm cells may be at least six times greater than in a woman's eggs. What is more, the mutational excess mounts with a man's age, suggesting that women may do well to follow men's time-honored tradition and seek out young mates.

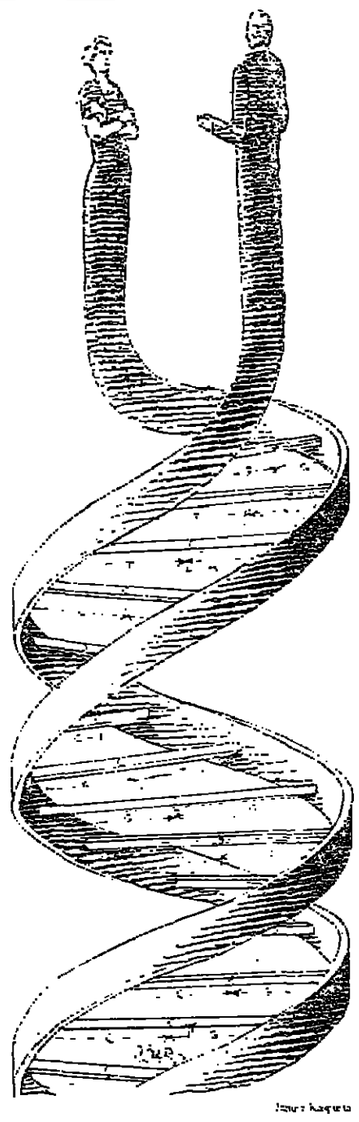
In the report, Dr. Redfield took some of the findings that have emerged on the high rate of mutations in sperm cells and incorporated the figures into a computer model comparing the costs and benefits of sexual reproduction. Her results call into question a prominent theory of why sex evolved: to prevent potentially harmful mutations from gradually gathering in a female's genetic stock. By this notion, asexual reproduction is a one-way street to total genetic decay, as mutations arise during the cloning of the female's eggs, and those genetic errors accrete dangerously with each succeeding generation.

ONE reason for sex, then, could be to inject a new round of genes into the mix to help keep the mutational load at a minimum. Enter the accommodating male and his refreshing sperm.

But Dr. Redfield's calculations suggest that far from cleaning up the mutational mess, the male's contribution may only make it worse. In her computer model, she compared the mutational outcomes of females who reproduced asexually and females who mated with males bearing a varying number of mutations in their sperm cells, or gametes. It did not take many extra masculine-based mutations before asexuality began looking like the superior strategy.

"If sex is the device to reduce the mutational load, and if the male mutation rate is indeed higher, then it doesn't look like a reasonable idea for a female to have anything to do with a male and his contaminated gametes," said Dr. Alexey S. Kondrashov of the department of ecology and systematics at Cornell University.

Dr. Kondrashov pointed out that many mutations, tiny changes in the lettering of the DNA, have no effect on an animal at all, for the great bulk of genetic material in the body is so-called junk DNA, apparently serving little or no purpose to begin with. Changing this filler material would have about as much impact as substituting one styrofoam peanut for another in a shipping crate.



Isaac Kaplan

In addition, some mutations are beneficial, the source of heightened talents, diversity, evolution itself. Indeed, some of the researchers who have published reports on mutation rates in sperm have noted that males, as the primary source of inadvertent genetic change, may be the engine driving evolution forward.

New Look at Genetic Role of Male

New York Times Service

NEW YORK — When it comes to parceling out blame for birth defects and genetic disorders, women have historically shouldered most of the burden, particularly older mothers who supposedly risked their offspring's well-being by letting their eggs sit around growing progressively more stale and chromosomally unstable.

By contrast, men have been seen as eternally fertile, able to father healthy children well into their dotage.

But growing evidence suggests that men, rather than women, may be the source of most new genetic mutations in the population, and thus may be responsible for the majority of congenital diseases that seem to come from nowhere. In addition, the older the man gets, the more likely his sperm is to carry genetic mutations.

The new view is based largely on studies of individual cells, and scientists emphasized that they have much to learn about the source of genetic mutations. Nor do they have any idea how often a minor variation in the genetic blueprint for a human being translates into a birth defect.

The overwhelming majority of genetic alterations that appear in the course of generating sex cells are likely to be harmless. Nevertheless, some researchers said it was time to take a closer look at the inherent fallibility of sperm cells. "This is a subject that has not received as much attention as it should," said Dr. James F. Crow, a geneticist at the University of Wisconsin in Madison.

As long as half a century ago, J. B. S. Haldane, the Scottish geneticist, proposed that cases of hemophilia not associated with a family history of the disease were much more likely to be the result of a genetic glitch originating with the male's sperm rather than with the female's egg.

Scientists realized that while a woman's eggs are fully formed during fetal development and undergo no further cell division after birth, the progenitor sex cells that give rise to a man's sperm continue to divide throughout his life. And the greater the number of cell divisions, the greater the odds that minor errors called point mutations can occur while the chromosomes are being copied.

More recently, scientists have shown that genes on the Y chromosome — the sole province of the male — do indeed mutate at a faster rate than genes on the X chromosome, which is essentially though not exclusively a female chromosome.

Using these and other new findings, scientists estimate that the overall genetic mutation rate in sperm cells is six times greater than it is in eggs. That discrepancy only widens with age. The older a man is, the more times his progenitor sperm cells have divided.

At 13, when a boy typically begins making sperm, his sex cells have divided about 36 times, and they divide about 23 times a year thereafter. By age 20, the cells have replicated about 200 times; by 30, about 430 times; and by 45, about 770 times.

Statistical evidence supports the premise that an older father is likelier to sire a child with a birth defect than is a younger man, Dr. Crow said.

On average, fathers of children who have a new dominant genetic disorder — a disease caused by a single genetic defect not known to run in the family — are six years older than fathers of children without an illness.

FOR their part, older mothers still have a heightened risk of conceiving babies with other sorts of birth defects — ones associated not with point mutations, but with a mistaken replication of an entire chromosome. The most famous example of this sort of mishap is the triplicate copy of chromosome 21 that causes Down's syndrome.

Dr. Crow points out that such large-scale chromosomal defects can easily be detected in prenatal tests, while most of the small genetic errors remain undiagnosed until birth. "I think we could eliminate quite a bit of human mutation if males either reproduced at a young age, or stored their youthful sperm on nitrogen for use later in life," he said.

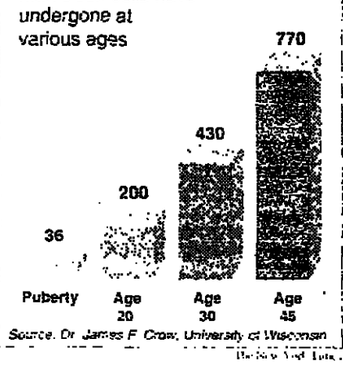
But other scientists insisted that older fathers have certain advantages over their young counterparts. By remaining alive and robust, an older man has proved his overall genetic hardiness. And molecular arguments aside, good fathering skills, like cheese, wine and redwood trees, very likely improve with age.

Natalie Angier

Older Men's Risk

Because a male makes much more sperm than a female does eggs, his sex cells divide faster and more often, increasing the likelihood of mutations. The risk increases with age.

Number of divisions a man's sex cells have undergone at various ages



Source: Dr. James F. Crow, University of Wisconsin

The New York Times

Answering the Question: Why Me?

By Sandra Blakeslee
New York Times Service

NEW YORK — Researchers are finding ways to answer a question that haunts every cancer patient: Why me? The explanation, they say, can be found deep within the cells of the body in biological factors called markers.

Like the smoking gun in a crime novel, markers are physical evidence of the foul interplay between cancer-causing agents in the environment and a person's genes. But as in all whodunits, the true villain can be the one who arouses least suspicion.

The new research shows that cancer is not primarily caused, as many Americans tend to think, by the poisons spewed into the air, water and land by industry. Rather, each person is born with various genetic susceptibilities, essentially weak spots in their genetic makeup, that play a leading role in the cellular mayhem called cancer.

For example, researchers have found that some people have genes that enable their bodies to detoxify chemicals rapidly, including the carcinogens found in cigarette smoke and natural carcinogens found in foods.

Others are born with slow acting varieties of the same genes; their bodies are less efficient at getting rid of carcinogens. If exposed to large enough quantities of the chemicals, these slow detoxifiers are more likely to get cancer.

The research sheds light on a vexing question. Why do some people who smoke cigarettes and eat an unhealthy diet live to be 90 while others who live healthy lives succumb to cancer at a young age?

The subject is being discussed this week at the annual meeting of the American Society of Clinical Oncology, being held in Dallas, and is the topic of an increasing number of scientific articles.

THE subject is being discussed this week at the annual meeting of the American Society of Clinical Oncology, being held in Dallas, and is the topic of an increasing number of scientific articles.

The classic methods for studying cancer risks have been very frustrating, said Dr. Frederica Perera, a leader in biomarker research at Columbia University's School of Public Health in New York City.

Epidemiologists, who study large populations of people over time, have made great strides in linking cancer to chemicals, she said, although since the deaths usually occur decades later, long after exposure to the chemicals took place, making the connections is often problematic.

With the tools of molecular biology, however, Dr. Perera said: "We can get inside the black box everyone talks about. We can get some fingerprints on environmental carcinogens and look for their targets inside cells."

Molecular toxicologists and molecular epidemiologists are looking for physical signs of damage in human cells. Some, called adducts, are chemicals bound up with DNA or proteins. Others are gene and chromosome mutations, alterations in DNA repair enzymes, various forms of enzymes for metabolizing foreign chemicals and levels of nutrients in the bloodstream.

Adducts are formed when chemicals stick to DNA, Dr. Perera said. Unless the damage is repaired before the cell divides, mutations can occur that may lead to cancer. Sometimes the adduct may attach itself to a length of junk DNA, where it does the body no harm. At other times, with the luck of a crap shoot, it may damage DNA that controls cell division.

Adducts are often found in people exposed to pollution, Dr. Perera said. For example, foundry workers have varying levels of a chemical, polyaromatic hydrocarbon, bound to their DNA, depending on their exposure to the chemical and their innate ability to detoxify chemicals.

People living in the polluted air of a large city in Poland have more adducts and chromosome aberrations than people living in the cleaner air of a Polish village.

And women exposed to polyaromatic hydrocarbons from the burning of fossil fuels and other industrial sources have varying levels of adducts in their breast tissue, depending on their genetic makeup. Such findings may help determine why one woman gets breast cancer and her next-door neighbor does not.

Work is continuing to see whether biomarkers like these can predict who will get cancer, Dr. Perera said. Researchers are looking for such adducts in blood samples stored 10 and 15 years ago, she said, to see whether they foretell disease in given individuals.

ANOTHER kind of physical damage to cells that can lead to cancer is a set of mutations in an important gene known as p53. The gene's normal function is to suppress cancerous changes in the cell, and these are very prone to develop when the gene is inactivated by mutations.

Recent studies have shown that several environmental carcinogens cause mutations at characteristic sites on the p53 gene. In other words the site of the mutation on a person's p53 gene will indicate whether it was induced by ultraviolet light, aflatoxin from peanut mold or cigarettes.

Dr. Ilan Kirsch of the National Cancer Institute in Bethesda, Maryland, is studying another type of biomarker involving the inherent instability of human DNA. DNA tends to jump about and recombine in ways that drive evolution, Dr. Kirsch said, but such recombinations can also cause cancer.

The marker is an inverted DNA sequence that is found in one of every 5,000 to 50,000 white blood cells in the human body. Located on chromosome 7, it is an "innocent genetic aberration," Dr. Kirsch said, because it seems to cause no harm in most people.

But other people have a genetic defect in which the chromosome 7 aberration is 100 times higher than normal. Dr. Kirsch said they develop leukemia or lymphoma 100 times more often than people with the innocent aberration.

With this clue in mind, Dr. Kirsch is studying the chromosome 7 marker in farmers exposed to pesticides. He said chemicals could influence a person's baseline level of genetic instability, making DNA alterations more or less likely at any given time.

A third type of marker consists of enzymes found in the liver and other tissues. The human body has evolved families of enzymes for metabolizing chemicals — the natural carcinogens in food as well as drugs and industrial compounds.

When a chemical comes into contact with a cell membrane, it is met by enzymes that render the chemical more or less water soluble. If all the chemical is thus transformed, it is excreted completely from the body. Sometimes, however, a chemical can be altered into a form that makes it prone to binding with DNA or protein, raising the risk of cancer.

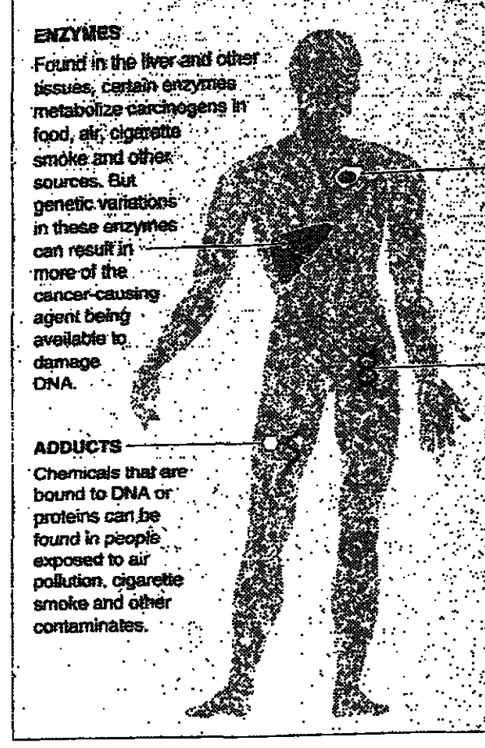
There are wide genetic variations in these enzyme systems, said Dr. William Evans, a pharmacologist at St. Jude Children's Hospital at the University of Tennessee in Memphis. In some people an enzyme may be very slow acting; they can be easily poisoned by the drugs or chemicals detoxified by that enzyme. Others may inherit a fast-acting form of the enzyme, he said. Their bodies deactivate the drugs or chemicals handled by that enzyme with lightning speed.

"We have observed 10-to-100-fold differences in enzyme activity," Dr. Evans said.

Enzyme activity often declines with age, helping to explain why cancer tends to be a disease of old age. And enzyme activity varies between ethnic and racial groups, he said, providing clues about different cancer rates among races.

Cancer Risk at the Molecular Level

Researchers say that clues as to who is likely to get cancer can be found within the body's cells by measuring biological markers. Here are some examples.



The New York Times

Weighing Risks of Chemotherapy

By Gina Kolata
New York Times Service

NEW YORK — For years, many cancer experts have strongly felt that the more chemotherapy they can give a patient, the better will be the chances for controlling the cancer.

Although the side effects are greater with higher doses, these patients and doctors have felt that the nausea and the risks of infection are worthwhile in combating the cancer.

But now, in a clinical trial that was the first true test of this hypothesis, researchers found that in women with breast cancer a double dose of chemotherapy was no more effective than a standard dose.

The study, reported at a meeting in Dallas of the American Society of Clinical Oncologists, involved 2,300 women with advanced breast cancer who were randomly assigned to one of three chemotherapy regimens.

The three treatments gave standard, higher and double doses of cyclophosphamide, combined in each case with the standard dose of adriamycin. High doses of adriamycin are dangerous because they can damage the heart.

Dr. Lawrence Wickerham, a breast cancer specialist at the University of Pittsburgh who directed the study, reported that survival was the same in all three groups.

The higher doses of cyclophosphamide caused more nausea and vomiting and lower white blood cell counts, weakening the body's immune systems and increasing the chances of infection.

Dr. Wickerham stressed in a telephone interview that the results did not mean that chemotherapy in general did not help women like those in his study, whose breast cancer had spread to the lymph nodes under their arms.

Dr. Joseph Bailes, a cancer researcher at the University of Texas Health Science Center in San Antonio and the chairman of the clinical practices committee of the American Society of Clinical Oncologists, said that although the new findings "raise the question of whether more is better, I don't think this closes the question."

Another Twist in Butter-Margarine Debate

By Sally Squires
Washington Post Service

WASHINGTON — An analysis linking consumption of margarine to heart-disease deaths and suggesting that butter might be a better choice is drawing strong criticism from federal officials.

Harvard University researchers reported last week that a type of fat found in some margarine and fast foods could help account for 30,000 deaths a year from heart disease — about 6 percent of the death rate from heart disease.

These fats, called trans fatty acids, are found in vegetable oils and shortenings that are partially hydrogenated. In this process, natural liquid oils are heated and hydrogen is added to convert the oils to a solid fat.

Pressured by public-health officials and consumer groups to lower the amount of saturated fat in fast foods, many manufacturers have recently switched to trans fatty acids rather than using beef tallow to cook fried foods.

Writing a commentary in the American Journal of Public Health, Walter C. Willett and Albert Ascherio, both of the Harvard School of Public Health, called for new federal regulations requiring food manufacturers to label the content of trans fatty acids.

But critics said the link between this type of fat and heart disease deaths has not been proved. To begin with, there is no accurate data available to know how much trans fatty acids Americans eat, and patterns of using this type of fat have been erratic.

"How can you attribute these deaths to trans fatty acids if the intake has been so erratic?" said Nancy Ernst, nutrition coordinator for the National Heart, Lung and Blood Institute.

Dr. Ernst said the authors' opinion differs from that of the institute's National Cholesterol Education Program, which reviewed the same data last year and unanimously concluded "that trans fatty acids do not raise blood cholesterol to the rate that saturated fat does."

IN BRIEF

U.S. Testing 3 Allergy Drugs

WASHINGTON (LAT) — Tests by Canadian researchers showing that three common allergy drugs promote cancers in laboratory mice has prompted the U. S. Food and Drug Administration to begin its own investigation of the prescription antihistamines.

Neither the researchers nor the FDA advised consumers to stop taking the drugs although they cautioned against long-term use. The FDA noted that no clinical studies to determine the effect on humans had yet been conducted and that only certain antihistamines were implicated in the Canadian study. The principal Canadian researcher, Dr. Lorne J. Brandes, said that so far, benefits of antihistamines appear to outweigh the risks.

In the study published in the Journal of the U. S. National Cancer Institute, Dr. Brandes and his research team at the Manitoba Institute of Cell Biology in Winnipeg injected mice with a skin cancer and a cancer of the connective tissue, known respectively as melanoma and fibrosarcoma. In three different groups of mice, the tumors grew faster and larger after the rodents were injected with one of three antihistamines: loratadine, astemizole and hydroxyzine, all of which are prescription drugs.

Prostate Surgery Effects

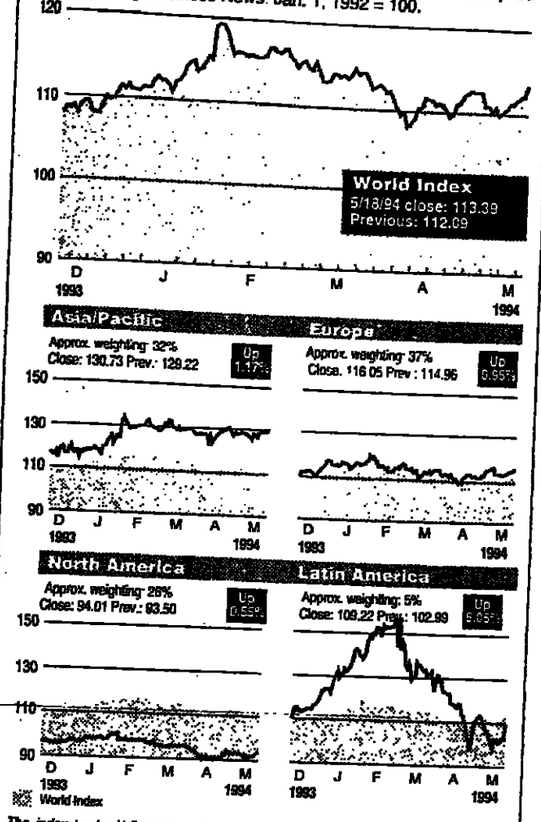
DALLAS (AP) — Men who have their prostate gland removed because of early signs of cancer run a higher than expected risk of losing urinary control and the ability to have sex, a study concludes.

The study, conducted at Harvard-affiliated hospitals, found that the side effects of this common operation are much more frequent than surgeons usually acknowledge. The report is the latest contribution to the controversy over how — and even whether — prostate cancer should be diagnosed and treated. An estimated 200,000 cases, 80 percent of them at early stages, will be diagnosed this year in the United States.

The study was directed by Dr. James Talcott of Dana-Farber Cancer Center in Boston. He presented his findings at a meeting of the American Society of Clinical Oncology.

THE TRIB INDEX: 113.39

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Industrial Sectors

	Wed. close	Prev. close	% change		Wed. close	Prev. close	% change
Energy	111.99	112.05	-0.05	Capital Goods	114.76	113.88	+0.77
Utilities	117.50	114.14	+2.94	Raw Materials	128.22	126.82	+1.10
Finance	118.89	117.44	+1.23	Consumer Goods	98.28	97.71	+0.58
Services	118.78	116.33	+2.11	Miscellaneous	128.13	125.57	+2.04

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Ruling Questions European Car Pact

By Tom Buerkle
International Herald Tribune

BRUSSELS — In a decision that calls into question the legality of Europe's import restraints on Japanese automobiles, the European Court ruled Wednesday that the European Commission must investigate whether longstanding curbs on imports into Britain violate competition rules.

The decision was hailed by the two consumer groups that brought the case. They said they would demand that the commission investigate the British restraints and release the details of its 1991 consensus agreement with Japan limiting car imports through the end of this decade.

"The decision clearly casts doubt on the legality of the current consensus and raises the possibility that the consensus accommodates the maintenance of anti-competitive agreements," said Jim Murray, head of the Brussels-based European Consumers Union, one of the plaintiffs. He said his group would "insist that competition policy will be applied."

In ruling for the consumer groups, the Court of First Instance said the commission should investigate an agreement between Britain's Society of Motor Manufacturers and Traders and the Japanese Automobile Manufacturers Association limiting Japanese imports to 11 percent of the British market. The commission had refused to investigate, saying the consensus agreement did away with national quotas beginning in 1993, a contention the spokesman reiterated on Wednesday.

But the court said the commission had "made a manifest error of assessment" because the agreement contained a target of 190,000 Japanese car imports in 1999, or 7 percent of the projected British market that year.

Although technically voluntary, Japan agreed last year to reduce its exports by 18.5 percent in light of the European recession. The two sides agreed recently to increase the ceiling by 0.4 percent this year, to 984,000 cars.

BT Takes the Offensive

Amid Telecom Wars, Growth Sought

By Jacques Neher
International Herald Tribune

LONDON — Sir Iain Vallance says he will not give an inch to the hordes of competitors, regulators and politicians trying to cut British Telecommunications PLC down to size.

But even if reality dictates that he must surrender customers in the name of a free market, the chairman of Britain's largest company hopes to transform BT into the world's top telecommunications concern by focusing on new value-added services at home and by attacking business markets abroad, particularly in Europe and Asia.

Key to BT's international expansion is its global alliance with MCI Communications Corp., announced in June but still awaiting clearance from authorities in the United States and Europe. Sir Iain predicts that the $1 billion venture, which is 75-percent owned by BT, will win clearance from the U.S. Department of Justice, Federal Communications Commission and European Commission "before the end of the summer."

Sources said the venture's range of business telecommunications services will be marketed under the "Concert" brand by MCI and BT, with a global ad campaign planned to kick off as soon as the company, based in Reston, Virginia, gets permission to operate.

While MCI, to which BT is to pay $4.3 billion for a 20 percent stake, will market the services in North and South America, BT will work with national carriers and with outside partners in Europe and Asia, Sir Iain said. Last month, BT signed such an alliance with Norwegian Telecom, and more deals are due in the months ahead.

In the battle for Europe, BT and its new allies will be competing against Ennetcom, the recent joint venture between France Telecom and Deutsche Telecom, and also against AT&T Corp., which is backing the Unisource consortium linking the Swiss, Swedish and Dutch state telecoms companies.

"We're fighting a war of attrition against the regulators and competitors here, and outside the U.K. we're taking an aggressive stance," said Sir Iain, who was knighted at Buckingham Palace on New Year's Day.

Starting his career in the British post office, Sir Iain became chairman of BT in 1987. He is credited with modernizing and restructuring BT and vastly improving the country's phone service, while positioning the company to compete in the global telecom market.

"They're the best placed of any phone company outside the U.S.," said Neil Barton, an analyst at Merrill Lynch & Co. in London. "I see BT becoming the AT&T of Europe."

While long-term prospects appear encouraging, the executive's strategy is not likely to have much affect on BT's bottom line over the next few years, analysts said.

On Thursday, BT is expected to reveal improved results for its 1993 financial year, which ended March 31, with analysts predicting pretax profit of around £2.75 billion ($4.1 billion), up from £1.97 billion in 1992 but still short of the £3.07 billion posted in 1991.

More important for investors, the dividend should be headed up. Laurence Heyworth, an analyst at Robert Fleming Securities in London, predicted BT's payout would be lifted to 16.7 pence per share, from 15.6 pence currently. He based his outlook on the company's "much improved quality of earnings and prodigious cash flow."

Sir Iain would not comment on the estimates, though he said BT had felt the positive effect of Britain's economic upturn, resulting in increased phone usage, as well as of reductions in operating costs due to the elimination of 15,000 jobs in the year. Company employment now is under 150,000, down from 250,000 in 1990, and 15,000 more jobs — including around 5,000 managers — are to be cut in the current year.

Impacting earnings on the negative side, he said, were stiff rate cuts mandated by Oftel, the British regulatory authority. BT last year was obliged to cut its rates for regulated services by an amount equal to inflation minus 6.25 percent, and this year Oftel has ordered cuts equalling inflation minus 7.5 percent.

Key to BT's international expansion is its global alliance with MCI Communications, announced in June but still awaiting regulatory clearances.

In addition, BT began to feel the impact of a fast-growing legion of competitors. In the City financial district, for example, Mercury Communications, the 80 percent owned subsidiary of Cable & Wireless PLC, has garnered an estimated 50 percent of the high-usage business market. Overall, analysts say BT's share of the business market has dropped below the 87 percent registered in 1993.

Some think that shrinking trend will persist Oftel has authorized 150 companies to go after BT's customer base, which generated most of the company's £13.24 billion in revenue in 1993. In addition to about 30 network carriers, trunk carriers and international resale services licensed to operate in the market, BT faces 130 cable television franchise holders — many of them American-British joint ventures — permitted to sell phone services as well.

"Until 1991, there was no competition, but BT now it finds itself in the same position of AT&T when it was forced to give up its monopoly," said Mr. Barton of Merrill Lynch. "I see BT's share of the U.K. market going down to 60 percent within 10 years."

Sir Iain said his task was more difficult than

See BT, Page 10

Car Sales Lift Daimler Results In 4-Month Span

Reuters

BERLIN — Daimler-Benz AG, Europe's largest industrial company, said Wednesday that sales climbed 15 percent, to about 30 billion Deutsche marks ($17.95 billion), in the first four months of 1994.

Edzard Reuter, chairman of the company, said at its annual shareholders' meeting that operating results for the first three months of 1994 had been positive and that he expected the trend to continue for the full year.

"Your company has undergone quite a few changes since 1992," he said. "We have become more agile, tougher, more efficient."

Mr. Reuter said that the company, which posted a net loss of 1.84 billion DM in 1993 based on U.S accounting principles, was on track to raise sales to more than 100 billion DM in 1994 from 97.7 billion DM in 1993.

For Daimler's key car division, Mercedes-Benz AG, Mr. Reuter said that sales had risen substantially in the first four months of 1994, but profits had lagged.

"Our profits are just not what they should be," Mr. Reuter said. "Therefore, further energetic measures to optimize our cost effectiveness will remain at the top of the agenda."

He said that the company had achieved broad-based cost savings of 5 billion DM in 1993 and that Mercedes had contributed 4 billion DM of this.

"Everywhere in your company, there are similar efforts to create a new cost and management culture," he said.

The company repeated that it would raise capital in a one-for-10 rights issue when stock market conditions were favorable, noting that the new shares would be eligible for the 1994 dividend. Last week Gerhard Liener, the company's finance director, said the rights issue would be carried out in the next two months.

Daimler's results appeared to underline a trend of improving results among European carmakers as the continent's economies begin to emerge from their worst postwar recession.

"Basically you could say that the bottom in the European auto industry has been passed," said Jürgen Melzner, car sector analyst at DB Research GmbH, the investment research arm of Deutsche Bank AG.

(Bloomberg, AP, Reuters, AFX)

Fried. Krupp also sees a turnaround. Page 11.

Volvo Posts Quarterly Profit Rise

Compiled by Our Staff From Dispatches

STOCKHOLM — A 63 percent jump in sales along with cost-saving measures gave the Swedish auto maker Volvo AB a surprising 3.1 billion kronor ($409 million) after tax profit for the first quarter of 1994, the company said Wednesday.

The period was so good that Volvo even hired employees — 12 of them — for the first time in several years.

The net profit compared with a loss of 280 million kronor for the comparable three-month period last year.

The 63 percent jump in sales brought total sales to 37.38 billion kronor for the quarter. Volvo said that the higher sales volumes, improved profit margins and favorable currency exchanges, notably with the strong dollar, had all helped the quarterly results.

Sales of Volvo cars rose 25 percent in the period, and the company "increased its market shares in most major markets," said Soren Gyll, the chief executive.

"While overall demand for cars in Europe shows a weak upturn, Volvo's sales picked up 20 percent although from a low level," he said.

(AP, Bloomberg)

INTERNATIONAL MANAGER

Fast Food Sizzles in Brazil

By Jeb Blount
Washington Post Service

RIO DE JANEIRO — Sparked by recent Brazilian economic reforms and diminishing opportunities at home, some of America's biggest fast-food names — McDonald's, Pizza Hut, Arby's, Kentucky Fried Chicken, Domino's Pizza and Dunkin' Donuts — are looking to Brazil for growth.

"Franchisers are having to look abroad for growth, and Brazil is now a very attractive market," said Leonard Swartz, worldwide managing director of franchising services for Arthur Andersen & Co. in Chicago. "After Asia, Latin America is the hottest place for expansion right now."

Of all Latin American markets, Brazil's fast-food sector is the largest and most developed. U.S. brands have captured nearly 11 percent of a Brazilian food-franchising market now worth $1 billion a year, taking much of it in the last two years, according to the Brazilian Franchising Association.

In a country where as much as half the population cannot afford a meal in a fast-food restaurant, the outlets are more upscale than in the United States. At the Pizza Hut in Rio, for instance, the logo and menu may be the same as in U.S. shopping malls and college towns, but the look and feel is more stylish. There is less plastic, more wood and marble.

"There's a lot of interest in franchising opportunities in Brazil," said Bernard Jager, president of the franchising association. "Consumers are eager for foreign products, especially since the market was closed for so long. The small-business people are looking for a proven name and an inflation-resistant opportunity and the larger concerns are looking to diversify."

According to Mr. Jager, the high-turnover, cash-business nature of fast-food franchising makes it one of the least risky ways to enter or expand in the Brazilian economy. "Even if we get inflation down to 12 percent to 15 percent a year, it will still be a cash business, and that's one of the best hedges against inflation," he said.

Executives at McDonald's, Pizza Hut and Arby's warned that finding Brazilian supplies that meet product design and quality standards can be difficult. For instance, most Brazilian beef comes from Zebu cattle, a water buffalo-like animal better adapted to the local climate than the species preferred by U.S. companies. Potatoes also are different, forcing some franchisers to import from Canada.

The proper kitchen equipment may also be unavailable locally or expensive to import, and expansion into large-but-remote Brazilian markets is hampered by an underdeveloped transport system.

Yet while broad, U.S.-style market penetration is limited by the fact that nearly a third of Brazilians earn less than the legal $60 monthly minimum wage, franchisers here see advantages in a narrower market.

Fast food here is "a chic thing," said Peter Rodenbeck, president of McDonald's Brasil. "In general, the restaurants here are put together in a classier way than they are in the United States."

Most fast-food operators believe this upscale approach helps them add to their already strong reputation for quality and service, values still relatively undeveloped in Brazil's traditional food industry. "Until now, fast food in Brazil has meant lunch counters," said Mr. Jager. "The large, fast-food franchises are offering cleaner, faster and more friendly service. People really like this. It's unusual."

That explains the long lines at Pizza Hut, according to Humberto Pandolpho, president of Pepsico do Brasil Ltda., the Brazilian arm of Pizza Hut Inc.'s U.S. parent, PepsiCo Inc. "In the U.S., Pizza Hut has a more middle-class reputation," he said. "But here it is something special and, according to our survey, it is becoming the reference point for pizza and service in Brazil."

Wall Street Counterattacks on Derivatives

By Brett D. Fromson
Washington Post Service

WASHINGTON — Many Wall Street executives strongly disagree with the conclusions of a U.S. government study that warns that derivatives, the financial instruments that have grown into a $12 trillion market, pose big risks to the global financial system.

Executives at major derivatives dealers who were briefed this week on a draft of the General Accounting Office report officially released Wednesday say their opposition stems not only from fears that regulation will cut dealer profits, but also from a belief that it would squelch financial innovation that helps companies lower their borrowing costs.

Derivatives are so named because their value is derived from such things as stocks or interest rates. A basic derivative is an interest-rate swap, in which a company converts its fixed-rate debt into debt that has a floating rate. Sudden changes in interest rates, like those this year, can turn complex hedges such as these into bad bets, depending on the options embedded in the instrument.

Major corporations have recently reported losses tied in some way to derivatives. Big brokers and banks have made handsome fees selling these products.

The 193-page GAO study acknowledged that in a world of volatile financial markets, derivative deals can help corporations and investors insure themselves against unwanted risks such as rising interest rates or a falling U.S. dollar.

But it warned that if a large dealer of derivatives "failed, the failure could pose risks to other firms, including federally insured depository institutions, and the financial system as a whole."

Rising interest rates hurt Morgan Stanley's profit. Page 10.

The report says that derivatives are especially "difficult" to manage because of their "complexity" and place special burdens on corporate executives and directors. It warns that what may appear to be a prudent hedge today can become a bad bet tomorrow.

Of the areas cited for increased regulation, however, official sources said there is growing support among regulators for only some of the recommendations: improved accounting and public disclosure of derivatives holdings; better risk-management procedures at companies active in derivatives; and more stringent capital standards for derivatives dealers, whether they be banks, brokerages or insurance companies.

The report calls for comprehensive international supervision of derivatives, which trade largely beyond the reach of regulators. The investigation recommends that "Congress require federal regulation of the safety and soundness of all major" U.S. derivatives dealers.

While only somewhat critical of the state of bank regulation of derivatives, the report sees room for regulatory improvement in the area of securities firms and insurance companies. Bank regulators have substantially more authority than the Securities and Exchange Commission has to examine and supervise banks that are derivatives dealers.

Congress should bring the currently unregulated derivatives activities of "securities firms and insurance company affiliates" under the scrutiny of federal regulators, the GAO said.

The study calls for all regulators to demand much more detailed information about the specific derivatives commitments entered into by dealers and their customers.

It proposes uniform capital standards for dealers, whether banks, brokerages or insurance companies, to ensure they have enough of a financial cushion to protect against derivatives losses as well.

The study says that financial reporting of derivatives is "inadequate" and recommends that stricter accounting rules for all dealers and users be issued "expeditiously" by the Financial Accounting Standards Board.

Germany Cuts Interest Rate

Reuters

FRANKFURT — The Bundesbank sanctioned a sizable fall in a key interest rate on Wednesday, but the reaction from financial markets was lukewarm amid fears that Germany might be nearing the end of its rate reduction cycle.

The German central bank allowed the securities repurchase rate, the leading money market rate, to fall to 5.23 percent from 5.35 percent last week. German markets had widely expected a sharp reduction after the Bundesbank slashed its discount rate, the floor for German interest rates, to 4.5 percent from 5 percent last week.

Wim Duisenberg, president of the Dutch central bank, reinforced market worries Tuesday when he said German rate cuts were approaching an end.

CURRENCY & INTEREST RATES

Cross Rates

May 18

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.859	2.885	1.122	0.3277	0.1173 *	—	0.0426 *	1.3146	1.6009 *	1.3485	1.3589 *
Brussels	34.265	57.56	20.68	6.011	2.1528 *	18.341	—	24.223	0.3001	24.79	24.91 *
Frankfurt	1.6644	2.5955	—	0.2921	0.1045 *	0.8911	4.859 *	1.1772	1.4834 *	1.2039	1.2165 *
London (a)	1.585	—	2.502	0.5787	2.3843	2.0811	51.57	2.1277	154.33	2.0207	206.66
Madrid	137.59	214.94	82.38	24.12	8.634 *	73.595	4.1385	97.185	132.463 *	99.838	—
Milan	1,591.00	2,486.75	953.95	279.18	—	851.30	46.425	1,125.10	15.36	1,156.68	11,932
New York (b)	—	1.5800 o	1.6168	0.3469	1.30100	1.6395	34.31	1.4885	103.50	1.2749	127.49
Paris	5.7885	9.0405	3.4677	—	0.3501 *	3.0592	8.1664	4.0892	5.4978 *	4.1392	4.3457 *
Tokyo	104.45	164.68	63.38	18.32	6.652	55.57	3.0338	77.42	—	76.05	8.7543
Toronto	1.3752	2.1681	0.8303	0.2426	0.8808 *	0.7299	0.0398 *	0.977	1.3203 *	—	1.107 *
Zurich	1.411	2.2264	0.85	0.2482	0.089 *	0.7521	4.1259 *	—	1.3619 *	1.024	1.0256 *
1 ECU	1.3688	2.1712	1.9328	0.6174	1.04828	2.1688	39.7734	1.6424	128.496	1.5987	159.639
1 SDR	1.493	0.5907	2.2518	0.6946	2.349.73	2.6399	48.4525	1.9987	147.885	n.a.	194.312

Closings in Amsterdam, London, New York and Zurich, fixings in other centers: Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9901	Greek drac.	246.89	Mex. peso	3.325	S. Afr. rand	3.656
Austral. $	1.3699	Hong Kong $	7.7255	N. Zealand $	1.7053	S. Kor. won	806.30
Austr. schil.	11.715	Hung. forint	103.51	Norw. krone	7.209	Swed. krona	7.7105
Brazil cruz.	1596.32	Indian rupee	31.13	Phil. peso	27.00	Taiwan $	26.38
Chinese yuan	8.70	Indo. rupiah	2162.00	Polish zloty	22592	Thai baht	25.25
Czech koruna	29.35	Irish £	0.6787	Port. escudo	171.69	Turkish lira	32999.
Danish krone	6.517	Israeli shek.	3.005	Russ. ruble	1869.00	UAE dirham	3.671
Egypt. pound	3.382	Kuwaiti dinar	0.2963	Saudi riyal	3.75	Venez. bolIv.	133.26
Fin. markka	5.4237	Malay. ringg.	2.61	Sing. $	1.55		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5046	1.5038	1.5032	Canadian dollar	1.3788	1.3804	1.3829
Deutsche mark	1.6669	1.6675	1.6676	Japanese yen	103.48	103.26	103.07
Swiss franc	1.4159	1.4167	1.4178				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits

May 18

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1 month	4¼-4⅜	5 7/16-5 9/16	4 5/16-4 7/16	5-5⅛	5½-5¾	2 1/16-2 1/8	5¼-5⅜
3 months	4½-4⅝	5-5⅛	3 15/16-4 1/16	5⅛-5¼	5 7/16-5 9/16	2 1/8-2 3/16	5 1/16-5 3/16
6 months	4⅞-5	4⅞-5	3⅞-4	5 1/16-5 3/16	5¼-5½	2 1/16-2 1/8	5½-5⅝
1 year	5 1/16-5 3/16	4⅞-5	3⅞-4	5 1/16-5 3/16	5¼-5½	2 1/16-2 1/8	5½-5⅝

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev.
Discount rate	3½	3½
Prime rate	7¼	7¼
Federal funds	4¼	4¼
3-month CDs	3.96	4.00
Comm. paper 180 days	4.77	4.85
3-month Treasury bill	4.16	4.21
1-year Treasury bill	4.91	5.00
2-year Treasury note	5.77	5.88
5-year Treasury note	6.59	6.65
7-year Treasury note	6.66	6.71
10-year Treasury note	7.02	7.04
30-year Treasury bond	7.27	7.27
Merrill Lynch 30-day Ready asset	3.20	3.19
Japan		
Discount rate	1¾	1¾
Call money	2.00	2.80
1-month interbank	2 7/16	2 1/16
3-month interbank	2 7/16	2 5/16
6-month interbank	2 9/16	2 1/16
10-year Government bond	3.90	3.96
Germany		
Lombard rate	6.00	6.00
Call money	5.40	5.45
1-month interbank	5¼	5.25
3-month interbank	5.10	5.10
6-month interbank	5.05	5.05
10-year Bund	6.36	6.40

Britain		
Bank base rate	5¼	5¼
Call money	5.00	4⅝
1-month interbank	5	5.00
3-month interbank	5 7/16	5 1/16
6-month interbank	5 1/16	5⅛
10-year Gilt	8.00	8.06
France		
Intervention rate	5½	5½
Call money	5¼	5⅜
1-month interbank	5 1/16	5⅛
3-month interbank	5⅛	5 1/16
6-month interbank	5 1/16	5 1/16
10-year OAT	6.68	6.81

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo, Commerzbank, Greenwell Montagu, Crédit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	380.05	380.05	— 2.45
London	379.65	379.40	— 2.95
New York	380.10	382.50	+ 0.50

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (June).
Source: Reuters.

ARKET DIARY

Technology Shares Lead Stock Rally

ompiled by Our Staff From Dispatches

NEW YORK — Stocks rose ednesday as rallies by technology d bank issues offset weak oil ares and concern that a falling llar would prompt the Federal serve Board to raise interest rates.

"The focus is back on the fundamentals of the economy," said mes Solloway, director of research at Argus Research Corp.

U.S. Stocks

The Dow Jones industrial average closed at 3,720.61, up 12.28 points from Tuesday. Gains in Philip Morris and AT&T were tempered by losses in oil companies, which fell amid concern about refining and marketing profit margins. Chevron fell 1¾ to 86[illegible] and Exxon was off ⅛ at 61¾.

On the Big Board, gainers led decliners by about a 5 to 2 ratio. Volume was calculated at 337.60 million shares, up from 311.16 million Tuesday.

Meanwhile, the Nasdaq Composite index surged 10.37 points, to [illegible]1.89. An upgrade at PaineWebber of semiconductor production equipment maker Applied Materials has helped push semiconductor stocks higher. The company rose [illegible] to 43⅞, while shares for Intel climbed 11/16 to 5[illegible] 15/16. Motorola rose 1⅛ to 46⅛ and Microsoft rose 2 7/16 to 97 1/16.

Analysts were at a loss to explain the Nasdaq's marked outperformance of the Dow.

Among banks, NationsBank rose 1 to 55½, Chemical gained 1⅛ to 37⅜ and Wells Fargo rose 1⅞ to 148¾.

AT&T rose 1⅛ to 55½ while Philip Morris added 1½ to 53.

Early in the day, U.S. government bonds dropped for the first time in nearly a week as a falling dollar aroused concern that overseas investors would steer clear of U.S. securities, analysts said.

The dollar's inability to rally after the Fed raised interest rates Tuesday and Germany's Bundesbank cut rates Wednesday made traders and investors anxious.

"I think people are surprised," said David Kinney, who runs $750 million in fixed-income investments at Denver's United Capital Management. "Germany lowered rates; we've been raising our rates. The dollar is still weak and people find it perplexing. That's what's affecting the bond market."

Rising commodity prices, considered an indicator of inflation, are helping to drive bonds down, traders said.

(Bloomberg, AP)

Post-Tightening Blues Weigh on the Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The market axim "buy the rumor, sell the fact" ctated foreign exchange trade on ednesday as the dollar fell despite e Federal Reserve Board's raising interest rates Tuesday.

"Unfortunately the rate move ad been talked about for such a ng time so that when it eventually

Foreign Exchange

appened it was probably an antimax," said Jürgen Lindemann, ead of foreign exchange trading at andard Chartered in London.

The dollar closed in New York at [illegible]568 Deutsche marks, down from [illegible]6720 DM Tuesday. It fell to [illegible]3.500 yen from 104.525, to 5.6690 rench francs from 5.7290 and to [illegible]4085 Swiss francs from 1.4225. he pound rose to $1.5088 from [illegible]1.5025.

On Tuesday, the Fed pushed up e federal funds and discount rate y half a percentage point. Fed nds, which is the rate banks arge each other for overnight ans, now have a perceived target f 4.25 percent. The discount rate, hich is what the Fed charges banks r emergency loans, is 3.50 percent.

"The dollar looks like it's heading lower," said Bill Arnold, chief currency dealer at Chemical Bank. "Market participants have concluded that there won't be any more rate increases" in the United States in the near future.

Other analysts agreed that the dollar's failure to respond to the higher rates did not bode well for the currency.

"This is a dangerous scenario for the dollar," said Hunt Taylor, managing director at Reynwood Trading Corp., a Short Hills, New Jersey, currency trading firm. "The strongest weapon a government has to defend its currency is interest-rate policy. If that doesn't work, nothing will."

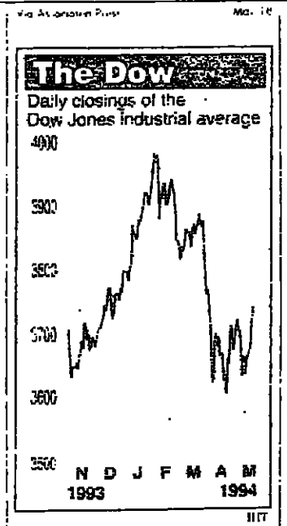
But some said any declines were likely to be gradual amid general market sentiment that sharp dollar losses would be quickly met by concerted central bank intervention.

"We're not going down in a major way. There's always the potential of seeing central bank intervention," Mr. Lindemann said.

Lloyd Bentsen, the U.S. Treasury secretary, said Wednesday he hoped the Fed's interest rate increases would support the ailing dollar.

(Reuters, Bloomberg)

Via Associated Press May 18


The Dow
Daily closings of the Dow Jones industrial average

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
TelMex	48355	58¼	56¾	56⅞	[illegible]
IBM	42475	61⅞	60⅛	60⅝	—
WalMart	39202	24[illegible]	23[illegible]	24[illegible]	[illegible]
AT&T	36044	55⅝	53⅞	55¼	1¼
[illegible]	32731	16[illegible]	15[illegible]	16[illegible]	[illegible]
Citicorp	32106	39[illegible]	39[illegible]	39[illegible]	[illegible]
HmeDep	32726	44[illegible]	42[illegible]	44[illegible]	[illegible]
Conrail	30469	47[illegible]	45[illegible]	46[illegible]	—
BankAm	30605	49[illegible]	48[illegible]	48[illegible]	[illegible]
PJR Nab	29021	[illegible]	[illegible]	[illegible]	[illegible]
PJR Nb pfC	24751	6[illegible]	6[illegible]	6[illegible]	[illegible]
GnMotr	24874	54[illegible]	53[illegible]	54[illegible]	—
FordM	24405	59[illegible]	58[illegible]	59	—
CompAu	22213	35[illegible]	33	35[illegible]	[illegible]
Motorola	22959	46[illegible]	44[illegible]	46[illegible]	[illegible]

NASDAQ Most Actives

	Vol.	High	Low	Last	Chg.
Cisco s	99596	24[illegible]	22[illegible]	23[illegible]	[illegible]
Lotus	36626	56[illegible]	52[illegible]	55[illegible]	[illegible]
Wellfit s	34233	31	27[illegible]	30[illegible]	[illegible]
Micsft	30032	97[illegible]	94[illegible]	97[illegible]	[illegible]
ApldMt s	29565	45	42[illegible]	43[illegible]	[illegible]
LDDS s	27464	18[illegible]	16[illegible]	18[illegible]	[illegible]
TelCmA	27238	20[illegible]	19[illegible]	20	[illegible]
Intel s	27070	59	58	58[illegible]	[illegible]
AST	23638	16[illegible]	14[illegible]	15[illegible]	[illegible]
Oracle s	21903	30[illegible]	29[illegible]	30[illegible]	[illegible]
SunMic	21218	22[illegible]	20[illegible]	22	[illegible]
NwbNt s	21190	47[illegible]	44[illegible]	46[illegible]	[illegible]
US Hlth s	21119	37[illegible]	35[illegible]	37	[illegible]
3Com	20866	54[illegible]	51[illegible]	54	2[illegible]
Amgen	20722	46[illegible]	44[illegible]	46[illegible]	[illegible]

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
ExpLA	8890	1[illegible]	1[illegible]	1[illegible]	—
SPDR	8248	45[illegible]	45[illegible]	45[illegible]	[illegible]
IvaxCp	5346	18[illegible]	17[illegible]	18	[illegible]
ChevSh s	5200	26	18[illegible]	19[illegible]	[illegible]
[illegible]	5087	4[illegible]	3[illegible]	4	[illegible]
[illegible]	4946	28[illegible]	27[illegible]	28[illegible]	[illegible]
TubMex	4908	5	4[illegible]	4[illegible]	[illegible]
Elan	4427	33⅝	31⅝	33½	+1⅝
ENSCO	3561	3[illegible]	2[illegible]	3[illegible]	[illegible]
ALC	3191	30[illegible]	29[illegible]	30[illegible]	[illegible]

Market Sales

	Today 4:00	Prev. cons.
NYSE	337.58	371.816
Amex	15.87	19.382
Nasdaq	274.43	318.187
in millions.		

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3727.98	3741.12	3700.66	3733.89	+12.28
Trans	1563.46	1595.24	1557.28	1594.26	+36.86
Util	181.72	184.48	180.97	184.02	-3.07
Comp	1284.19	1297.04	1280.51	1295.35	+14.84

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	528.93	522.96	528.14	+3.56
Transp.	384.78	374.25	383.83	+9.58
Utilities	155.83	152.65	155.44	+2.52
Finance	45.43	44.65	45.34	+0.69
SP 500	454.55	448.87	453.69	+4.32
SP 100	422.08	416.46	421.28	+3.46

NYSE Indexes

	High	Low	Last	Chg.
Composite	250.96	248.13	250.73	+2.60
Industrials	308.66	305.42	308.32	+2.42
Transp.	243.77	236.83	243.48	+6.65
Utility	207.68	203.84	207.39	+3.55
Finance	214.25	211.16	214.10	+2.94

NASDAQ Indexes

	High	Low	Last	Chg.
Composite	722.21	715.58	722.21	+10.69
Industrials	742.95	736.73	742.95	+10.06
Banks	709.73	707.44	709.00	+5.03
Insurance	893.22	889.07	893.01	+5.77
Finance	914.02	911.15	914.02	+3.86
Transp	707.49	703.13	706.15	+4.52

AMEX Stock Index

High	Low	Last	Chg.
434.91	431.96	434.90	+2.97

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	97.58	+0.31
10 Utilities	94.90	+0.36
10 Industrials	100.26	+0.27

NYSE Diary

	Close	Prev.
Advanced	1625	1360
Declined	686	843
Unchanged	523	613
Total issues	2834	2816
New Highs	38	22
New Lows	51	108

AMEX Diary

	Close	Prev.
Advanced	361	275
Declined	250	321
Unchanged	204	229
Total issues	815	825
New Highs	15	9
New Lows	21	38

NASDAQ Diary

	Close	Prev.
Advanced	1785	1421
Declined	1341	1652
Unchanged	1890	1941
Total issues	5016	5014
New Highs	69	42
New Lows	122	183

EUROPEAN FUTURES

Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade)				
Dollars per metric ton				
Spot	1349.00	1350.00	1345.50	1346.50
Forward	1377.50	1378.50	1374.00	1375.00
COPPER CATHODES (High Grade)				
Dollars per metric ton				
Spot	2202.00	2203.00	2225.00	2227.00
Forward	2201.00	2202.00	2220.00	2221.00
LEAD				
Dollars per metric ton				
Spot	477.50	478.50	494.50	495.50
Forward	495.00	496.00	512.00	512.50
NICKEL				
Dollars per metric ton				
Spot	6250.00	6260.00	6445.00	6455.00
Forward	6340.00	6350.00	6530.00	6540.00
TIN				
Dollars per metric ton				
Spot	5590.00	5600.00	5725.00	5735.00
Forward	5670.00	5680.00	5790.00	5800.00
ZINC (Special High Grade)				
Dollars per metric ton				
Spot	968.50	969.50	982.50	983.50
Forward	992.50	993.00	1006.00	1007.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE)				
£500,000 - pts of 100 pct				
Jun	94.70	94.65	94.67	—0.01
Sep	94.42	94.28	94.33	—0.06
Dec	94.30	93.87	93.90	—0.06
Mar	93.55	93.42	93.44	—0.06
Jun	93.05	92.92	92.96	—0.03
Sep	92.55	92.43	92.46	—0.03
Dec	92.13	91.98	92.04	—0.01
Mar	91.78	91.65	91.73	+0.04
Jun	91.54	91.42	91.49	+0.07
Sep	91.34	91.25	91.32	+0.08
Dec	91.19	91.07	91.14	+0.05
Mar	91.05	90.80	91.02	+0.07
Est. volume: 87,706. Open int.: 502,656.				
3-MONTH EURODOLLARS (LIFFE)				
$1 million - pts of 100 pct				
Jun	95.21	95.17	95.20	+0.10
Sep	94.65	94.59	94.63	+0.19
Dec	94.15	94.15	94.13	+0.19
Mar	93.95	93.95	93.93	+0.20
Jun	N.T.	N.T.	93.65	+0.19
Sep	N.T.	N.T.	93.43	+0.16
Est. volume: 1,025. Open int.: 10,260.				
3-MONTH EUROMARKS (LIFFE)				
DM1 million - pts of 100 pct				
Jun	95.10	95.03	95.04	—0.02
Sep	95.32	95.26	95.26	—0.01
Dec	95.26	95.20	95.21	+0.01
Mar	95.20	95.12	95.14	+0.01
Jun	94.98	94.89	94.90	—0.01
Sep	94.76	94.65	94.68	+0.01
Dec	94.55	94.46	94.48	+0.02
Mar	94.35	94.32	94.33	+0.02
Jun	94.18	94.14	94.15	+0.02
Sep	94.04	93.99	93.99	+0.02
Dec	93.89	93.82	93.84	+0.04
Mar	93.72	93.69	93.69	+0.02
Est. volume: 162,568. Open int.: 119,735.				
LONG GILT (LIFFE)				
£50,000 - pts & 32nds of 100 pct				
Jun	106-10	105-20	105-24	+0-11
Sep	105-02	104-16	104-19	+0-10
Est. volume: 104,661. Open int.: 121,865.				
GERMAN GOVERNMENT BUND (LIFFE)				
DM 250,000 - pts of 100 pct				
Jun	96.45	95.96	96.00	+0.21
Sep	95.89	95.53	95.53	+0.22
Est. volume: 216,071. Open int.: 0 204,091.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE)					
U.S. dollars per metric ton-lots of 100 tons					
Jun	150.00	148.25	150.00	150.00	+1.25
Jul	151.00	149.25	150.75	150.75	+0.75
Aug	153.00	151.25	152.25	152.50	+0.50
Sep	154.50	152.75	154.25	154.25	+0.75
Oct	157.00	155.50	156.75	156.75	+0.25
Nov	158.50	157.75	158.50	158.50	Unch.
Dec	160.50	159.50	160.50	160.25	Unch.
Jan	160.50	160.00	160.50	160.50	+0.25
Feb	N.T.	N.T.	N.T.	159.00	+0.50
Mar	N.T.	N.T.	N.T.	158.00	+0.50
Apr	N.T.	N.T.	N.T.	157.00	+0.50
May	N.T.	N.T.	N.T.	155.50	+0.50
Est. volume: 10,455. Open int. 10,849					
BRENT CRUDE OIL (IPE)					
U.S. dollars per barrel-lots of 1,000 barrels					
Jul	16.14	15.70	16.10	16.09	—0.27
Aug	16.08	15.69	16.04	16.04	+0.32
Sep	16.04	15.67	16.04	16.03	+0.36
Oct	16.00	15.62	16.00	16.00	+0.34
Nov	16.03	15.65	16.03	16.00	+0.37
Dec	16.00	15.61	16.00	16.00	+0.35
Jan	N.T.	N.T.	N.T.	16.00	+0.34
Feb	N.T.	N.T.	N.T.	16.00	+0.34
Mar	15.91	15.76	15.91	16.00	+0.30
Est. volume: 38,062 Open int. 122,837					

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE)				
£25 per index point				
Jun	3160.0	3106.0	3110.0	—14.0
Sep	3171.0	3126.0	3126.5	—13.5
Dec	N.T.	N.T.	3137.8	—13.5
Est. volume: 18,546. Open int.: 54,752.				

Matif prices were not available Wednesday due to problems at the source.

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Dividends

Company	Per	Amt	Pay	Rec
IRREGULAR				
GA Pw adjpfA 93	-	.343	6-15	7-1
Hafslund Nycomed	x	.5919	5-26	
Newmont Gold	-	.12	5-27	6-8
WellsFargo adjpfB	-	.703	7-29	8-15

x-approx amount per ADR; pay date unannounced.

STOCK SPLIT

Aracruz Celulose 3 for 2 ADR split.
Computer Market 2 for 1 split.
Health Mngmnt 3 for 2 split on classes AB & C.
Members Srvc Cp 1 for 40 reverse split.
Office Depot 3 for 2 split.
Spectra Science 1 for 3 reverse split.

Company	Per	Amt	Pay	Rec
INCREASED				
Argent Bank	Q	.20	5-31	6-15
BGS Systems	Q	.20	6-1	7-1
BNF Bancorp	Q	.17	6-1	6-15
Bedford Props	Q	.09	7-15	7-29
Harris Steel g	.06	6-15	6-29	
Nordstrom Inc	Q	.10	5-31	6-15
SY Bancorp	Q	.16	6-20	7-1
INITIAL				
Newmont Mining n	-	.12	5-27	6-8
Patters Svgs&Ln	-	.10	6-1	6-15
REGULAR				
ABS Indust	Q	.05	6-15	7-1
Adia Services	Q	.04	5-27	6-10
Aviall Inc	-	.01	6-10	6-24
Briggs Stratton	Q	.46	5-27	6-30
Coates Inc	Q	.05	6-1	6-15
Eastern Enterprise	Q	.35	6-6	7-1
Expeditor Wash	S	.05	6-1	6-15
Fst CommerceCorp	Q	.25	6-17	7-1
Fst Indiana	Q	.13	6-2	6-16
Fst Midwest Bncp	Q	.17	6-24	7-6
Frankford Corp	Q	.35	6-1	7-1
Freds Inc	Q	.05	6-1	6-15
GEICO Corp	Q	.25	6-6	6-30
Hancock Hold	Q	.23	6-6	6-15
IndependenceBn PA	Q	.29	6-1	7-1
Keithley Instrum	Q	.05	6-17	6-30
Keystone AmEquity	Q	.06	5-25	6-6
Keystone AmGvSec	M	.053	5-25	6-6
Keystone AmTxFr	M	.047	5-25	6-6
Keystone Cust B1	M	.078	5-25	6-6
Keystone Cust B4	Q	.105	5-25	6-6
Lawyers Title	-	.03	6-1	6-15
Morgan StanleyGp	Q	.30	5-30	6-16
NS Bancorp	Q	.08	6-10	6-30
Ntl Sanitary	Q	.06	5-27	6-10
Omnicare Inc	Q	.045	5-31	6-10
One Valley Bncp	Q	.22	6-15	6-30
Pioneer Fincl	-	.05	6-3	6-17
Pulaski Furniture	Q	.14	6-1	6-15
Roto-Rooter	Q	.14	5-27	6-10
Rouse Co	Q	.17	6-15	6-30
Rouse Co	Q	.17	9-15	9-30
Wesbanco Inc	Q	.21	6-10	7-1
YPF SocAnonima	x	.20	5-25	5-27

x-approx amount per ADR.

a-annual; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.612	0.611
Coffee, Braz., lb	n.a.	n.a.
Copper electrolytic, lb	1.07	1.03
Iron FOB, ton	213.00	213.00
Lead, lb	0.34	0.34
Silver, troy oz	5.555	5.555
Steel (scrap), ton	137.33	137.33
Tin, lb	3.8066	3.8066
Zinc, lb	0.47	0.4527

BT: *British Telecom Seeks Global Expansion as Competition Heats Up*

Continued from Page 9

AT&T's because BT faces competition for local service as well as long distance, while AT&T only has had to deal with long-distance challengers.

The 50-year-old executive said he would "fight on every front" to keep his customers. "There's no way I can motivate my sales force if I say, 'go for it, chums, but give up 3 percent.'"

On the surface, BT appears to be pulling no punches in its marketing efforts. The company this month is launching a £50 million advertising campaign featuring the actor Bob Hoskins to vaunt BT's range of services. The campaign has already raised the hackles of women's groups for its portrayal of females as "natural" talkers.

What is more, BT will try to combat cable operators. The company this week is mobilizing 1,000 employees to conduct a trial "Local Talk" outreach program in Bristol, where cable has swiped "thousands of accounts," according to project manager Jeremy Stafford. The troops will attempt to sign up customers to sample, at no cost, a host of value-added network services such as call-waiting and call-forwarding.

Despite these efforts, some observers said Sir Iain's warrior stance was a marketing ploy designed to ease BT, with its head held high, into a less dominant market position.

"BT's market share can only go one way, and that's down," said Mr. Heyworth of Robert Fleming Securities. "Sir Iain's objective is to moderate that loss."

Mr. Heyworth said that BT understands that only by giving up significant numbers of its customers can it "get the regulators off its back."

To sidestep the regulator's gaze, Sir Iain's domestic strategy calls for developing nonregulated, high value-added.

SHORT COVER

Rising Interest Rates Slash Morgan Stanley Earnings

Bloomberg Business News

NEW YORK — Morgan Stanley Group Inc., suffering from the rise in interest rates that has roiled financial markets, said Wednesday that first-quarter earnings fell 41 percent as revenue from the firm's investment banking and fixed-income business fell.

Morgan, the third-largest U.S. investment firm in terms of capital, said earnings for the three months ended April 30 declined to $117 million from $199 million in the comparable quarter a year ago.

"A rising interest-rate environment in the United States and difficult conditions in both the foreign exchange and European fixed-income markets contributed to an overall decline in client activity during our fiscal first quarter of 1994, particularly in April," the company said.

Morgan's financial year ends in January, unlike most Wall Street firms, which operate on calendar years. That means investors and analysts watch Morgan's results for indications of the securities industry's business during April.

Morgan's decline is an indication of bleaker profits for Wall Street, which earned a record $8.9 billion in 1993 as interest rates fell to the lowest levels in a generation. Earnings are falling this year because rising rates have disrupted stock, bond and commodity markets and caused underwriting to plunge.

Sales Slump Widens Woolworth Loss

NEW YORK (Combined Dispatches) — Woolworth Corp. said Wednesday its net loss widened to $38 million from $24 million in the year-ago period amid slumping revenue.

The company said sales fell 18 percent, to $1.76 billion, after last year's repositioning of its U.S. and Canadian operations, which included closing some stores.

Analysts had been expecting a profitable quarter, and Woolworth's stock plunged $2 to $15 on the news. *(Knight-Ridder, Bloomberg)*

Time Warner Set for Phone Hookup

NEW YORK (NYT) — In the first plan of its type in the country, Time Warner Inc. revealed that it intends to use its cable-television system in Rochester, New York, next year to provide telephone service to residential and business customers in competition with the local phone company.

On Tuesday, state regulators in New York opened the door to local phone competition, reaching a preliminary agreement with the Rochester Telephone Corp. In exchange for giving Rochester Telephone more freedom to retain profits it earns from greater efficiency, the company has offered a program for letting rival companies connect with its network.

The ability of rival companies to connect with a traditional telephone network is crucial for competition to occur because this allows customers who subscribe to different services to communicate with each other as if they were using the same company.

Foreign Sales Help Campbell Soup

CAMDEN, New Jersey (AP) — Campbell Soup Co. reported Wednesday that overseas results lifted third-quarter earnings 13 percent despite a 4 percent drop in overall sales.

The company reported profits for the quarter ended May 1 of $119 million on sales of $1.57 billion. Last year, earnings for the same quarter were $105 million on sales of $1.63 billion.

Campbell U.S.A. sales dropped 8 percent, to $913 million, and operating earnings dropped 2 percent, to $150 million. The international division reported a 40 percent increase in operating earnings, but sales for the period fell 2 percent, to $380 million, compared with $390 million last year.

Varig Pilots Offer a Rescue Deal

SAO PAULO (Bloomberg) — The pilots' union of the Brazilian airline Varig SA is offering concessions in exchange for an equity stake to try to save the company, a union representative said Wednesday. The union wants a role in Varig's talks with creditors, said Luca Bettini, a vice president with Chase Manhattan Corp.'s Chase Bank. The union retained the Chase unit as a financial adviser, the bank said Wednesday. The company plans to lay off 2,600 workers to save $6 million a month.

For the Record

Briggs & Stratton Corp. announced production shifts that will move about 2,000 jobs out of the Milwaukee area in the next few years. The company makes small gasoline engines and auto locks. *(AP)*

Northrop Grumman Corp.'s chairman, Kent Kresa, said he expected the company to achieve double-digit earnings growth for several years starting in 1995, from a 1994 baseline. *(Reuters)*

Calgene Inc. said the U.S. Food and Drug Administration had declared its tomato growth enhancer safe to use. The FDA found the tomatoes grown from Flavr Savr were as safe as tomatoes raised by conventional means, the company said. *(AP)*

WORLD STOCK MARKETS

gence France Presse May 18

Amsterdam

	Close	Prev.
[illegible]	[illegible]	[illegible]
ACF Holding	46.90	47
Aegon	101.10	100.30
Ahold	49.10	48.50
Akzo Nobel	218	217.70
AMEV	74.50	74
Bols-Wessanen	39.70	39.70
CSM	67.90	66
DSM	141.20	143.50
Elsevier	177.40	175
Fokker	16.80	16.90
Gist-Brocades	48.50	49.50
HBG	313	314.30
Heineken	230	229.80
Hoogovens	75.20	76.30
Hunter Douglas	79.50	78.50
IHC Caland	41.60	42.20
Inter Mueller	85.70	87
Int'l Nederland	76.40	75.70
KLM	54.30	53.20
KNP BT	51.30	50.50
Nedlloyd	80.60	80.60
Oce Grinten	80.20	80.80
Pakhoed	51.80	50.50
Philips	54.10	54.20
Polygram	79	80.30
Robeco	120.50	120.40
Rodamco	59.30	59.40
Rolinco	121.40	120.70
Rorento	92	91.80
Royal Dutch	206.20	207.60
Stork	48.90	49
Unilever	193.50	194.10
Van Ommeren	55.70	54.80
VNU	184	183.60
Wolters/Kluwer	117.90	117.40

EOE Index : 416.84
Previous : 413.81

Brussels

	Close	Prev.
AG Fin	2750	2736
Arbed	5200	5130
Barco	2515	2505
Bekaert	28400	28275
Cockerill	199	199
Cobepa	5950	5990
Delhaize	1360	1362
Electrabel	6370	6370
GIB	1610	1610
GBL	4445	4490
Gevaert	9930	9950
Kredietbank	7000	7000
Petrofina	11000	10875
Powerfin	3460	3440
Royale Belge	5650	5690
Soc Gen Banque	8460	8410
Soc Gen Belgique	2700	2645
Sofina	15525	15500
Solvay	16125	16050
Tractebel	10425	10700
UCB	25200	25000
Union Miniere	2760	2705

Current Stock Index : 7855.21
Previous : 7812.64

Frankfurt

	Close	Prev.
AEG	187	190.20
Allianz Hold	2630	2712
Altana	658	659
Asko	985	938
BASF	330.80	330.40
Bayer	387.50	385.90
Bay. Hypo bank	452	451
Bay Vereinsbk	481.50	483
BBC	740	750
BHF Bank	411.50	435
BMW	939.50	957
Commerzbank	342	361
Continental	283.80	283
Daimler Benz	890	893.50
Degussa	521	523.50
Dt Babcock	260.50	261
Deutsche Bank	785	781.50
Douglas	591	589.50
Dresdner Bank	408.50	403
Feldmuehle	347	346
F Krupp Hoesch	230	229
Harpener	350.50	350
Henkel	646	639
Hochtief	1100	1102
Hoechst	361.80	356
Holzmann	890	895
Horten	248	247.50
IWKA	420.50	419
Kali Salz	159	150
Karstadt	639.50	633
Kaufhof	531.50	521
KHD	152.50	152.50
Kloeckner Werke	172	171
Linde	943	926
Lufthansa	197	190.20
MAN	465.50	465.80
Mannesmann	472	477.30
Metallgesell	267	279.50
Muench Rueck	3195	3200
Porsche	845	857
Preussag	489	480
PWA	258	248
RWE	480	478.50
Rheinmetall	356	355
Schering	1086	1084
SEL	409	410
Siemens	729.50	729.20
Thyssen	304.50	304.50
Varta	343	343
Veba	542.80	528.50
VEW	390	390
Viag	473	468
Volkswagen	529	528.70
Wella	954	948

DAX Index : 2267.41
Previous : 2259.71
FAZ Index : 859.27
Previous : 855.35

Helsinki

	Close	Prev.
[illegible]	[illegible]	[illegible]
Enso-Gutzeit	41.20	40.20
Huhtamaki	229	225
K.O.P.	12.30	12.30
Kymmene	123	122
Metra	190	190
Nokia	438	438
Pohjola	85	81
Repola	100	98.30
Stockmann	235	235

HEX Index : 1891.69
Previous : 1867.08

Hong Kong

	Close	Prev.
Bk East Asia	34.50	33.25
Cathay Pacific	11.30	11
Cheung Kong	39.75	38.25
China Light Pwr	42	40.50
Dairy Farm Int'l	12	11.70
Hang Lung Dev	13.80	13.30
Hang Seng Bank	53.50	51.50
Henderson Land	43.25	41
HK Air Eng	43.50	43.50
HK China Gas	16.50	16.10
HK Electric	24.30	23.60
HK Land	23.40	22.50
HK Realty Trust	22	21.30
HSBC Holdings	87.50	84
HK Shang Htls	12.40	11.80
HK Telecomm	15.20	14.80
HK Ferry	12.90	12.20
Hutch Whampoa	32.50	30
Hysan Dev	24.90	24.10
Jardine Math.	60	57.50
Jardine Str Hld	30.25	29.50
Kowloon Motor	15.60	15.20
Mandarin Orient	11.40	11.30
Miramar Hotel	22.80	21.80
New World Dev	25.60	24.50
SHK Props	53	48.75
Stelux	3.55	3.50
Swire Pac A	58	56.50
Tai Cheung Prps	11.60	11.10
TVE	3.30	3.27
Wharf Hold	31.50	30.25
Wing On Co Intl	11.90	11.40
Winsor Ind.	11.70	11.40

Hang Seng Index : 9476.64
Previous : 9044.70

Johannesburg

	Close	Prev.
AECI	26.50	27.25
Altech	110	110
Anglo Amer	228	231
Barlows	37.50	39.50
Blyvoor	9	9
Buffels	46	44
De Beers	107.75	107.50
Driefontein	51.50	54
Gencor	9.60	10.15
GFSA	103	106
Harmony	25	24.50
Highveld Steel	28	29
Kloof	42.50	44
Nedbank Grp	33	34
Randfontein	39.75	41.75
Rusplat	79.50	80
SA Brews	98	102.50
St Helena	40	40
Sasol	23	24.50
Welkom	N.A.	N.A.
Western Deep	151	162

Composite Index : 5388.39
Previous : 5451.48

London

	Close	Prev.
Abbey Nat'l	4.08	4.05
Allied Lyons	5.99	5.95
Arjo Wiggins	2.90	2.92
Argyll Group	2.51	2.59
Ass Brit Foods	5.80	5.80
BAA	9.77	9.80
BAe	4.73	4.86
Bank Scotland	1.89	1.90
Barclays	5.42	5.36
Bass	5.34	5.42
BAT	4.54	4.55
BET	1.31	1.28
Blue Circle	3.04	2.95
BOC Group	7.24	[illegible]
Boots	5.45	5.48
Bowater	4.36	4.33
BP	3.94	4.03
Brit Airways	3.80	3.85
Brit Gas	2.80	2.82
Brit Steel	1.43	1.42
Brit Telecom	3.78	3.77
BTR	3.93	3.89
Cable Wire	4.65	4.55
Cadbury Sch	4.92	4.95
Caradon	3.28	3.24
Coats Viyella	2.28	2.30
Comm Union	5.62	5.64
Courtaulds	5.43	5.45
ECC Group	4.45	[illegible]
Enterprise Oil	4.24	4.26
Eurotunnel	[illegible]	4
Fisons	1.35	1.41
Forte	2.30	[illegible]
GEC	3.12	[illegible]
Gen'l Acc	5.21	[illegible]
Glaxo	5.56	5.58
Grand Met	4.54	[illegible]
GRE	1.78	[illegible]
Guinness	4.97	4.93
GUS	6.03	5.97
Hanson	2.66	2.69
Hillsdown	1.74	1.71
HSBC Hldgs	7.42	[illegible]
ICI	8.26	8.35
[illegible]	[illegible]	[illegible]
[illegible]	5.87	5.64
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Laporte	7.76	7.76
Lasmo	1.52	1.52
Legal Gen Grp	4.60	4.57
Lloyds Bank	5.72	5.73
Marks Sp	4.35	4.37
MEPC	4.70	4.70
Nat'l Power	4.39	4.37
NatWest	4.56	4.55
NthWst Water	4.96	5.02
Pearson	6.57	6.69
P & O	6.78	6.85
Pilkington	1.87	1.84
PowerGen	4.96	4.84
Prudential	3.01	3.08
Rank Org	4.10	4.09
Reckitt Col	6.35	6.72
Redland	5.07	5.04
Reed Intl	8.69	8.55
Reuters	4.84	4.85
RMC Group	9.06	8.90
Rolls Royce	1.98	1.97
Rothmn (unit)	4.06	3.98
Royal Scot	4.29	4.33
RTZ	8.73	8.85
Sainsbury	3.91	3.90
Scot Newcas	5.50	5.53
Scot Power	3.60	3.59
Sears	1.23	1.22
Severn Trent	5	4.99
Shell	7.36	7.41
Siebe	5.71	5.68
Smith Nephew	1.50	1.50
SmithKline B	4.05	4
Smith (WH)	5.09	5.09
Sun Alliance	3.30	3.32
Tate & Lyle	4.28	4.24
Tesco	2.24	2.29
Thorn EMI	11	11.10
Tomkins	2.42	2.46
TSB Group	2.18	2.19
Unilever	10.05	10.12
Utd Biscuits	3.39	3.42
Vodafone	5.22	5.27
War Loan 3½	44.31	43.06
Wellcome	5.72	5.52
Whitbread	5.47	5.58
Williams Hdgs	3.67	3.60
Willis Corroon	2.40	2.35

F.T. 30 Index : 2464.40
Previous : 2468.98
F.T.S.E. 100 Index : 3116.50
Previous : 3123.50

Madrid

	Close	Prev.
BBV	3305	3290
Bco Central Hisp	3080	3070
Banco Santander	6230	6350
Banesto	1125	1120
CEPSA	3200	3235
Dragados	2390	2380
Endesa	6790	6770
Ercros	187	139
Iberdrola	1015	993
Repsol	4560	4605
Tabacalera	4200	4130
Telefonica	1925	1875

S.E. General Index : 337.21
Previous : 333.45

Milan

	Close	Prev.
Banca Comm	5705	5720
Bastogi	196	192
Benetton group	29000	29105
CIR	3015	2985
Cred Ital	2600	2600
Enichem	3200	3205
Ferfin	2230	2225
Ferfin Risp	1460	1485
Fiat SPA	7145	7190
Finmeccanica	2260	2210
Generali	48550	48350
IFI	28000	28050
Italcem	15840	16100
Italgas	5700	5740
Italmobiliare	50600	51200
Mediobanca	18070	18050
Montedison	1517	1532
Olivetti	3020	3010
Pirelli	5615	5675
RAS	32100	32350
Rinascente	10600	10890
Saipem	4450	4400
San Paolo Torino	11000	11050
SIP	4685	4615
SME	4935	4060
Snia	2665	2685
Standa	39000	39000
Stet	5820	5860
Toro Assi Risp	33200	33650

MIB Index : 1301
Previous : 1294

Montreal

	Close	Prev.
Alcan Aluminum	31	30¾
Bank Montreal	26	25¾
Bell Canada	43	45
Bombardier B	20⅝	20[illegible]
Cambior	18¼	17[illegible]
Cascades	8[illegible]	8[illegible]
Dominion Text A	6⅞	6[illegible]
Donohue A	12½	N.Q.
MacMillan Bl	19[illegible]	19[illegible]
Natl Bk Canada	9[illegible]	9[illegible]
Power Corp.	20⅛	20¼
Quebec Tel	24	24
Quebecor A	19⅝	N.Q.
Quebecor B	19¾	19[illegible]
Teleglobe	13⅞	14
Unigo	5⅝	N.Q.
Videotron	14⅝	14[illegible]

Industrials Index : 1923.60
Previous : 1997.64

U.S. FUTURES

Via Associated Press May 18

Commodity Indexes

	Close	Previous
Moody's	1,272.40	1,271.10
Reuters	1,955.20	1,969.50
D.J. Futures	144.47	144.51
Com. Research	230.87	229.53

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Krupp Sees Payoff Soon From Steel-Sector Cuts

Bloomberg Business News

ESSEN, Germany — Fried. Krupp AG Hoesch-Krupp said Wednesday it lost 30 million Deutsche marks ($18 million) in the first quarter but that much better results from its truncated steelmaking division would enable it to break even this year.

Last year, Krupp's net loss more than doubled, to 589 million DM, from 250 million DM. The company was hurt by operating losses of 780 million DM from its steel unit, Krupp Hoesch Stahl AG.

Although steel prices have only risen between 5 percent and 7 percent this year and are way below the levels of two years ago, Krupp said its drastic reorganization would improve the 1994 result sharply. Provisions have been taken to cover most of the costs.

"The new group structure, the extensive adjustment measures and the synergy effects have created the conditions for a breakeven result in 1994, even with a continued weak economic situation," said Gerhard Cromme, the chief executive.

The company's shares gained 2.5 DM to 230.0 DM in Frankfurt trading.

Mr. Cromme said there would again be a "slightly negative" result from the steel division in 1994. All other divisions were profitable last year except machinery, which had a "slight" loss, he said.

Sales in the first quarter were up 5 percent on the year and orders were up 12 percent, the company said.

Like its rivals, Krupp has been hit by price pressure and increased competition from Eastern European and subsidized Western European steelmakers. As a major supplier to European carmakers — with 20 percent of 1993 sales accounted for by the automotive industry — it has also felt the effects of a massive slump in its customers' sales.

To cope, Krupp closed one steel mill last year and laid off workers at others. Altogether, the workforce fell by more than 10,000 last year, to just over 78,000, and will fall by up to 7,000 more by year-end from 72,000 at the end of April.

The steel workforce will drop to 15,900 by the end of this year from 22,576 at year-end 1993.

"Krupp has already gone a ways down the road from being a pure steel producer to a supplier of raw materials and will continue in the future," Mr. Cromme said. The pure steelmaking activities now make up less than 25 percent of all sales, and that will fall further as the focus shifts to goods and services tailored to customers' needs.

"The traditional cooperation between automobile producers and suppliers is changing fundamentally," Mr. Cromme said. Suppliers are being required to do work that until now has been done by carmakers themselves.

Krupp's total sales in 1993 were 20.5 billion DM, 6.421 billion DM of which came from its trading and services division.

That is less than the 6.853 billion DM in steel but was achieved with about one fifth the number of employees — 4,685 against 22,576 in steel. Unlike steel, the trading division was profitable.

Krupps said that where future job cuts come depends partly on the outcome of ongoing talks with Thyssen AG.

Recovery in Japan And U.S. Unlikely To Aid Europe

By Carl Gewirtz
International Herald Tribune

PARIS — Sharp upward revisions to projected growth in North America and Japan will do little to improve prospects in Continental Europe over the next 18 months, the Organization for Economic Cooperation and Development is to tell national policymakers meeting here to discuss the outlook Thursday and Friday.

The OECD also raised concern that world stock prices "may be vulnerable to bad news" and that a collapse could upset could seriously damage the economic outlook.

Although "the worst" of the European economic downturn "is past," the secretariat report prepared for the meeting acknowledged that recoveries in Continental Europe "are either very weak or only just now being established." Even this mediocre performance is highly dependent on Europe achieving a substantial rise in net exports, although the study notes that a strong rise in corporate profits "could give an upside risk to the outlook."

The secretariat also worries that falling household savings, expected to play an important role in the European revival, could be negatively affected by a sell-off in equity markets.

"Share prices remain high, even allowing for the prospect of rising earnings," the report notes. "Price-earnings ratios in most markets are now either at levels which are unprecedented over the last decade or, at least, on a par with the previous record levels prevailing shortly before the stock market crash of October 1987, so current prices may be vulnerable to bad news."

The secretariat says monetary authorities must be prepared, as they were in 1987, to counteract the impact as the "wealth effects (of a crash) could be greater than in the past."

Another concern is whether the sell-off in European bond markets this year, which has pushed up long-term yields, threatens recovery prospects. "There is at least a risk in this regard," the report says. However, with inflation declining throughout the next 18 months, short-term interest rates also should ease — to a low in Germany of 4.3 percent, half a point higher than an earlier forecast.

The outlook for Continental Europe, virtually unchanged from the forecast six months ago, estimates economic growth of 1.4 percent this year rising to 2.7 percent in 1995. As a result, unemployment will rise from the current 11.7 percent of the labor force to a high of 12 percent before inching back to 11.9 percent by the end of 1995.

By contrast, the U.S growth rate has been substantially revised to 4.2 percent this year and 3.1 percent in 1995 — up 1.1 and 0.4 percentage points, respectively, from December's forecast. These latest figures are even more optimistic than the projections announced only last month by the International Monetary Fund, which saw U.S. growth of 3.9 percent this year and 2.6 percent next year.

'Share prices remain high, even allowing for the prospect of rising earnings.'

The dark side of the forecast is a steady updrift in U.S. inflation despite a gradual increase in short-term interest rates. Inflation is estimated to be running at an annual rate of 2.2 percent and seen rising to 2.6 percent during the next six months, to 2.9 percent in the following half year and to 3.2 percent by the end of 1995.

Over the same period, three-month interest rates are expected to rise from the current 4.2 percent to 6 percent.

For Japan, the OECD estimates growth this year of 0.8 percent rising to 2.6 percent in 1995. The forecast is sharply up from the OECD's December projection and a tad better than the IMF's April report, but the secretariat admits that "despite some positive indications, it is not yet clear that recovery has begun."

Iberia, Reeling, Posts Huge 1993 Loss

Bloomberg Business News

MADRID — Spain's state airline Iberia SA announced Wednesday a 1993 net loss of 69.77 billion pesetas ($504 million), more than double 1992's loss of 34.82 billion pesetas.

Iberia blamed the poor performance on the crisis in the airline industry, a drop in passenger load and greater financing costs due to three devaluations of the Spanish peseta.

Iberia has undertaken an aggressive cost-cutting program, but losses for 1994 could reach 40 billion pesetas, said Juan A. Saez, the airline's managing director. Most of those losses would come from Iberia's holdings in Latin America, particularly its 30 percent stake in Aerolineas Argentinas, the company said.

With the backing of a group of Spanish banks, Iberia last month agreed to extend that stake to 85 percent in order to save Aerolineas from financial collapse. Iberia also agreed to a capital reduction of 144 billion pesetas as a way to help absorb its losses of 166 billion pesetas since 1990.

Under Spanish law a company must reduce the value of shareholder capital when losses exceed 50 percent of that capital. The capital reduction will be followed by an injection of new funds.

"There are two principal ways to inject funds," Mr. Saez said. "We can seek a subsidy and go through Brussels, or come up with our own financial restructuring either through selling off businesses or transferring interests to our principal shareholder, Teneo."

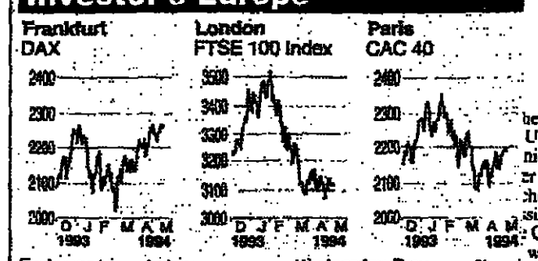
Teneo is the Spanish government's industrial holding company.

■ KLM To Place Big Order

KLM Royal Dutch Airlines NV is looking to replace 10 aging Airbus A-310-203 aircraft with new jets from either Boeing Corp. or Airbus Industrie, Bloomberg Business News reported from Amsterdam. The order could be worth more than $600 million.

KLM is considering buying Boeing 767s, the more modern Airbus A-310-300, or McDonnell-Douglas' widebody MD-11, said Hugo Baas, a spokesman for the Dutch airline. Mr. Baas said a decision is expected within a few months.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Chang
Amsterdam	AEX	416.04	413.81	+0.54
Brussels	Stock Index	7,855.21	7,812.64	+0.54
Frankfurt	DAX	2,267.41	2,259.71	+0.34
Frankfurt	FAZ	859.27	855.35	+0.46
Helsinki	HEX	1,891.69	1,867.08	+1.32
London	Financial Times 30	2,464.40	2,468.90	-0.18
London	FTSE 100	3,116.50	3,123.50	-0.22
Madrid	General Index	337.71	333.45	+1.28
Milan	MIB	1,301.00	1,294.00	+0.54
Paris	CAC 40	2,183.99	2,195.17	-0.51
Stockholm	Affaersvaerlden	1,945.76	1,964.78	-0.97
Vienna	Stock Index	457.67	455.00	+0.59
Zurich	SBS	968.95	984.78	+0.43

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

• **Virgin Group**, the airline and retail company owned by Richard Branson, said it would join a bid to run a high-speed Channel Tunnel link. The government is seeking bids to build the rail line between London and the Channel Tunnel.

• **Banco Santander SA** said it was in talks with **J. P. Morgan Co.** over the possibility that Morgan's Corsair Fund might increase its stake of 3 percent in **Banco Español de Crédito SA**.

• **Merck AG** of Germany said it planned to acquire 51 percent of **Amerpharm NV**, a Dutch manufacturer of generic medicines.

• **The European Union** said it had authorized a joint venture between **Exxon Corp.** and **Royal Dutch/Shell Group** to make plastics in France.

• **Bank Leumi's** former chairman, Ernst Japhet, was sentenced to months in prison and fined $300,000, the heaviest punishment received by any of the 10 former executives of Israeli banks found guilty of manipulating bank share prices in the early 1980s.

• **Axel Springer Verlag AG**, the newspaper company, said it would pay an unchanged dividend of 12 Deutsche marks after reporting recently that profit rose 25 percent, to 71 million DM ($42.5 million).

• **Ford Motor Co.** said it would open a research center in Aachen, Germany.

Reuters, AFX, AFP, Bloomberg

ABB Rebounds On Lower Costs

Bloomberg Business News

ZURICH — ABB Asea Brown Boveri AG, the Swiss-Swedish heavy-engineering conglomerate, reaped the rewards of lower costs in the first quarter, as pretax profit rose 32 percent, to $246 million.

Although revenue declined, ABB increased operating earnings after depreciation by 18 percent to $481 million, partly due to lower personnel costs.

ABB said it was seeing "a gradual recovery" in demand for many of its products and services, which range from building power plants to restoring the U.S. presidential yacht. Investors were impressed with the earnings, and shares of ABB's 50 percent owner, Brown Boveri Corp., rose to 1,288 francs ($906) on the Zurich stock exchange from 1,275. In Stockholm, however, class A shares of Asea fell to 640 kronor ($82.31) from 644. In 1993, ABB took a $596 million charge for restructuring, as it laid off staff and closed plants.

Russia Pledges End To Diamond Leakage

Reuters

MOSCOW — Russia promised on Wednesday to plug disruptive leaks of rough gemstones on to world diamond markets, but called for modifications to a marketing agreement with De Beers Consolidated Mines Ltd.

A joint statement issued by the Russian government and the big South African firm said both sides remained committed to the existing deal, which expires in 1995. But changes were needed.

The two sides were committed to taking all steps "to curtail Russian rough gem diamonds reaching the market outside current marketing arrangements," the statement said.

Russia and De Beers are the two biggest producers of gem diamonds in the world, and the South African concern controls some 80 percent of the global market through its London-based Central Selling Organization.

Russia, South Africa's ideological enemy throughout the Cold War, sells 95 percent of its rough gems through the CSO in a five-year deal that aims to protect prices.

But claims that Russia is bypassing De Beers and allowed diamonds to leak onto the markets have soured relations between the two sides for several months.

Russia denies it has been selling diamonds in breach of the agreement. But some officials oppose cooperation with the South African company, claiming they could get better prices for their gems elsewhere.

De Beers said the agreement that Russia can market 5 percent of the gems it sells itself means Moscow has adequate ways to check that prices are fair.

The two sides started a new round of negotiations in Moscow on Tuesday to try to clear up outstanding issues and they said in the statement that they expected talks to continue.

"Yesterday was only the start of discussions and I can only say that it was difficult," said Leonid Gurevich.

British Unemployment Falls

Bloomberg Business News

LONDON — Government data released Wednesday showing rising wages and falling unemployment in Britain reinforced analysts' perceptions that British inflation is on the way up and that interest rates will follow.

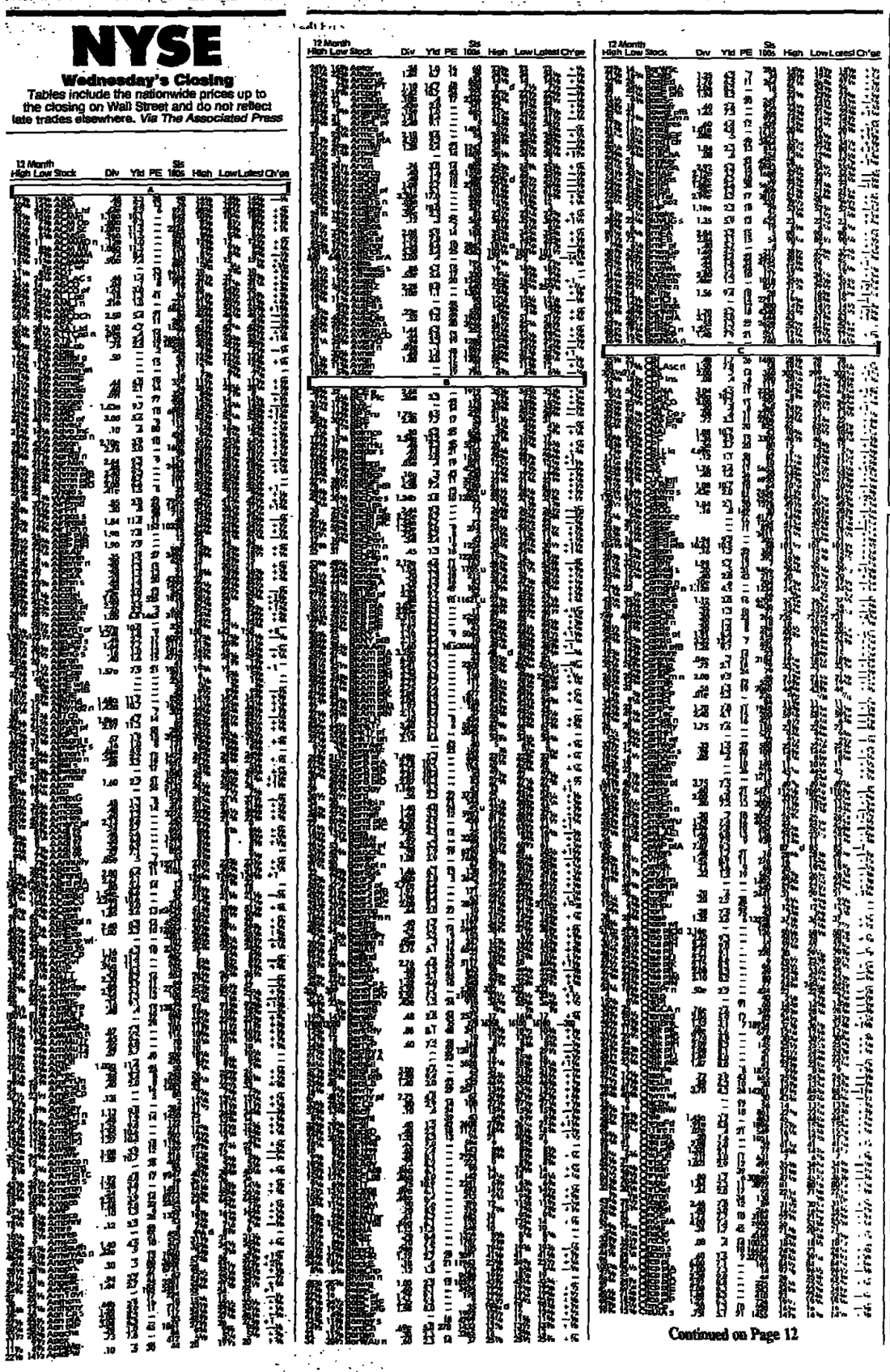
"I think we can rule out any further cut in interest rates," said Neil MacKinnon, chief economist at Citibank. "If anything, these wage numbers will bring forward the date when the Bank of England will be tempted to notch rates higher."

The government said personal income rose 4.0 percent in March, above analysts' expectations for a 3.5 percent increase. Another report showed the number of people out of work and claiming benefit in April fell by 36,800, bringing the jobless rate down to 9.5 percent from 10.4 percent a year earlier.

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*



Continued on Page 12

Luxury Goods Ride Out Recession in Style

Bloomberg Business News

PARIS — Even at the depths of Europe's recession, the lavish, travel-themed windows of Louis Vuitton's flagship store tempted an enviable number of wealthy buyers.

Now, with consumer confidence growing and Japanese customers taking advantage of the strong yen, sales of Vuitton's classic monogram handbags and new "Taiga" line of green calfskin business accessories are booming.

"We managed to avoid most of the ravages of the recession, and now we're seeing a lot of demand," said Lidie Le Ninivin, a Vuitton executive. "The Taiga line especially has been very well received."

Like Vuitton, other luxury-goods brands such as Christian Dior perfume and Rémy Martin cognac also rode out the recession remarkably well and are in position to make the most out of the recovery, according to industry analysts.

The secret, they said, was a canny mix of clever marketing, a willingness to reduce prices selectively and genuine consumer demand for quality products even in tough times.

Françoise Etienne, luxury-goods analyst at Paris brokerage EIFB, said: "Throughout the luxury-goods industry, consumption is definitely picking up, partly because people want to make themselves feel good during a recovery. You can see it with Hermès and Louis Vuitton, and it's the same in the perfume sector with Dior."

LVMH Moët Hennessy Louis Vuitton SA, which owns Vuitton luggage and the Dior perfume and fashion house as well as Hennessy cognac and Dom Pérignon champagne, confirmed business is buoyant when it reported that first-quarter sales jumped 28 percent from a year earlier, to 6 billion French francs (about a $1 billion).

That reflected surging demand for cognac and leather goods, and more modest growth in champagne and perfume sales.

LVMH, like Rémy Cointreau SA, which owns the Rémy Martin cognac brand, relies on the Far East for more than 30 percent of its sales. While it has suffered from the contraction in Japanese corporate gift-giving over the past 18 months, a major source of revenue, the company now believes the worst there is behind it and that sales should start to recover.

LVMH cut Japanese cognac prices by about 10 percent earlier this year in response to the strong yen and to preserve market share.

Among perfume and cosmetics companies, analysts said the story is similar. Dior has seen sales continuing to grow in North America and the Far East and recovering in markets such as Japan, France and Germany.

Its perfume and cosmetics sales rose 7 percent in the first quarter alone to 1.5 billion francs, helped by the launch in March of its new Tendre Poison perfume and increasing sales of its Svelte and Capture Lift beauty creams.

The buoyant business outlook is encouraging companies to look for acquisitions and alliances to cash in on consumer demand and fund investment.

In late April, LVMH announced that Dior would take a major stake in French perfume house Guerlain for 2 billion francs, co-managing it with the Guerlain family.

The move makes LVMH with Guerlain the world leader in high-quality perfumes, with about 20 percent of the key French market.

Investors have responded enthusiastically, with LVMH stock outperforming the CAC-40 index of French blue-chip stocks by 20 percent since the start of the year and taking the shares to a two-year high earlier this month of 941 francs.

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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China Predicts Growth With Risk of Inflation

Agence France-Presse

BEIJING — China forecast Wednesday its economy would expand by 12 percent in the first half of the year, an announcement that made its goal of pegging growth and inflation to below 10 percent look increasingly unrealistic.

In a report carried by all major newspapers, Wei Liqun, a spokesman for the State Planning Commission, said industrial output would grow by 18 percent from January to June, compared with the similar period last year, while fixed-asset investment and consumer sales would rise by 30 percent and 22 percent, respectively.

A Western economist said the forecasts suggested China would have difficulty bringing 1994 growth below 10 percent. Growth last year was more than 13 percent.

"In the first quarter, they said 12.7 percent growth was a seasonally adjusted figure in line with real growth of about 10 percent," he said. "There's not much seasonality in the first six months, so it's a good indicator of where they are really going."

Mr. Wei, however, was upbeat about figures for the first four months of the year, saying they reflected the success of reforms implemented in recent months in the hope of cooling down the economy.

Industrial output grew 16.4 percent in the first four months, over the like period last year, while fixed-asset investment rose 38.4 percent, Mr. Wei said. The figures were down from 25 percent and nearly 70 percent, respectively, between January and April last year.

The official said the slowdown in fixed-asset investment had created a stable supply of raw materials, predicting that this would help bring down inflation in the second quarter of the year.

Inflation was running at 20.1 percent nationwide and some 26 percent in big cities in the first quarter.

However, the economist said China was unlikely to come anywhere near its target of bringing annual inflation down from 13 percent in 1993 to below 10 percent this year, despite efforts to control the rate artificially by reimposing price controls.

"Twelve percent economic growth really is too high to be consistent with bringing down inflation," he said.

Mr. Wei also pointed to a recovery in state-sector production in April, with output increasing 5 percent over the like month last year.

Nusantara Looks To Set Up Joint Venture in U.S.

Reuters

JAKARTA — Nusantara Aircraft Industries Ltd. Indonesia's state-run aircraft maker, said Wednesday it was studying the possibility of setting up a joint venture in the United States to manufacture airplanes.

"We are seriously studying the possiblity of establishing a joint-venture company to assemble or produce our N-250 airplane in the United States," said Jusuf Habibie, the research and technology minister. "Some aircraft industries there are keen to join."

The N-250 is a medium-haul, 70-seat commuter plane that is due to make its maiden flight in April 1995. Each N-250 will cost $13.5 million.

Mr. Habibie, who is also the president of the state-run company, refused to say which U.S. aircraft makers he had held discussions with.

Tokyo's Big 4 Rebound

Commissions Rise at Securities Houses

Compiled by Our Staff From Dispatches

TOKYO — Japan's "Big Four" securities houses, benefiting from a recovery in commission revenue, announced their best earnings figures in three years on Wednesday and forecast further improvements in the year ahead.

But the pretax earnings posted for the financial year ended in March by Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co. and Yamaichi Securities Co. were still down sharply from their record earnings performances at the turn of the decade.

"Despite slowdowns in individual consumption and capital investment, the stock market was relatively firm throughout the year, with increased turnover," said Nomura, Japan's largest securities company. "But sentiment was not dramatic."

A Yamaichi executive warned, however, that he did not expect a sharp rise in earnings in the year ending in March 1995 in spite of active cost-cutting efforts. He said any economic upturn this year is likely to be moderate and a full-fledged recovery was not likely until well after March 1995.

A major factor behind the earnings recovery was the boost to commissions which accompanied a rebound in equity trading.

Buoyed by heavy foreign buying, average volume on the Tokyo Stock Exchange soared to 390 billion yen ($3.73 billion) a day in the financial year ended in March, up from 140 billion yen a year earlier.

Other positive factors were increased revenue from underwriting, which accompanied the first public share offerings in four years, and a rally in the Japanese government bond market for most of the year. Revenue from investment trusts was buoyed by booming markets elsewhere in Asia.

Nomura posted pretax earnings of 50.7 billion yen, up sharply from 2.38 billion yen a year earlier. Nomura also said that its operating revenue climbed 16 percent, to 399 billion yen. The company predicted earnings would rise to 90 billion yen in the current year and that revenue would rise to 430 billion yen.

Daiwa announced profit of 52 billion yen, reversing a loss of 7.27 billion yen a year earlier and displacing Nomura as the country's most profitable stockbroker. The company forecast improved earnings of 60 billion yen for this year.

Nikko posted a profit of 35 billion yen, up sharply from 2.5 billion yen a year earlier, and the company forecast a profit of 50 billion yen for the current year.

Yamaichi announced a profit of 17.9 billion yen, reversing two years of losses, including a loss of 37.4 billion yen a year earlier. It forecast profit of 25 billion yen for this year.

Executives said that earnings this year were likely to be buoyed by a continued rise in underwriting commissions, following recent moves to boost the number of companies permitted to seek stock market listings to five a week from three, executives said.

(AFP, AFX)

Strong Yen Bites Into Casio's Profit

Bloomberg Business News

TOKYO — Casio Computer Co., one of the world's top makers of digital watches, said Wednesday the strong yen and weak overseas sales cut profit in the year to March by more than a third, the first decline in six years.

Current profit fell 36 percent, to 7.38 billion yen ($71 million), in the year ended in March, while operating income plummeted 56 percent, to 4.4 billion yen. Sales fell 1 percent, to 322.22 billion yen.

"The strong yen and falling sales were the chief culprit," said Toshio Kohzai, senior managing director. The company had projected a profit of 9 billion yen.

Casio, a family-controlled company that has achieved worldwide fame for its calculators and musical instruments as well as watches, exports 51 percent of its products.

While sales in the United States rose 13 percent last year, overall sales in markets outside of Japan dropped 16 percent, Mr. Kohzai said.

■ Olympus Net Off 33%

Olympus Optical Co., a major maker of cameras and medical equipment, announced Wednesday that profit for the year ended March 31 fell 33 percent, to 6.32 billion yen, Bloomberg Business News reported from Tokyo.

"The strong yen cost us 15 billion yen in lost sales revenue," said Minoru Ohta, general manager of the company's finance department. The company exports about 64 percent of its production.

Malaysia Shores Up Ringgit

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Malaysia's central bank aggressively sold dollars for ringgit Wednesday in a bid to shore up the local currency, brokers said.

Bank Negara also eased a curb on foreign buying of long-term bonds to expedite the ringgit's recovery, brokers said. The Malaysian currency has dropped more than 6 percent in value since mid-February, when the central bank stepped in to limit speculation on the currency by foreign investors.

The dollar finished at 2.61 ringgit Wednesday, compared with 2.79 at the Malaysian currency's mid-February peak.

"They need the foreign players to take the ringgit back up," an economist with a regional fund management institution said.

Brokers said they were given oral instructions from the central bank to ease foreign buying of long-term bonds. Foreigners are still not allowed to buy short-term bonds.

But several brokers said they expected the central bank to gradually lift all restrictions on inflow of speculative funds.

"There has been no change in policy, but there is clearly a shift in strategy and approach," a chief economist with a Kuala Lumpur bank said of the central bank moves.

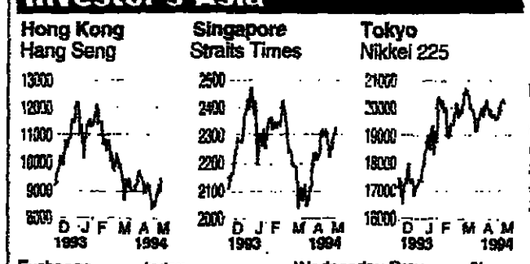
On Monday, the central bank lifted a levy on *vostro* accounts, which are ringgit accounts held by foreigners in local banks.

Market watchers, who have been trying to decipher central-bank policy since Ahmad Mohamad Don took over as governor on May 1, said Bank Negara appears to be adopting a slow course to soak up excess liquidity, revive foreign investor confidence and fight inflation.

The central bank will start nudging up low interbank rates, which are stoking inflationary fires, once it drains excess liquidity from the system, analysts said.

(Reuters, AFP)

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	9,476.64	9,044.70	+4.78
Singapore	Straits Times	2,323.16	2,304.49	+0.81
Sydney	All Ordinaries	2,107.80	2,096.00	+0.56
Tokyo	Nikkei 225	20,152.73	20,133.53	+0.10
Kuala Lumpur	Composite	1,010.27	991.96	+1.85
Bangkok	SET	1,325.47	1,302.85	+1.74
Seoul	Composite Stock	946.87	946.87	Unch.
Taipei	Weighted Price	5,985.25	6,015.83	-0.51
Manila	PSE	2,899.35	2,936.43	-1.26
Jakarta	Stock Index	477.21	471.77	+1.15
New Zealand	NZSE-40	2,155.10	2,118.04	+1.75
Bombay	National Index	1,844.59	1,854.25	-0.52

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

• **Walt Disney Corp.** has decided to sell 30 billion yen ($287 million) in three-and-one-half-year bonds with a coupon rate of 3 percent for a price of 99.90 to retail investors in Japan, according to **Nikko Securities Co.**, the lead underwriter of the bonds.

• **Kawasaki Steel Corp.** said it raised its target for job cuts by March 1996 to 3,900 from 2,300 in an effort to accelerate cost-cutting plans; the company said the increase in cuts are part of its goal to cut costs by 60 billion yen during a three-year period.

• **Malaysia** will export 2,500 Proton cars to **Indonesia** in exchange for the purchase of 18 Indonesian CN-235 short-range transport planes under a cross-trade pact to be signed in Jakarta.

• **Vietnam** posted a $153 million trade deficit in 1994's first four months, as imports increased by 29 percent over the corresponding period last year.

• **The Japanese government** submitted to parliament a 40-day extention of a stop-gap budget for the current fiscal year which began April 1; the government of former prime minister Morihiro Hosokawa was forced to draft the 50-day provisional budget, which will expire May 20, due to problems regarding passage of the national budget.

• **Choya Corp.**, the major Japanese textile manufacturer, plans a joint venture in **China** with four Japanese and Chinese companies, including international distribution concern **Yaohan**.

• **President Fidel V. Ramos** signed a law allowing more foreign banks to operate commercially in the Philippines, easing more than four decades of protectionism.

Bloomberg, AFX, AP, AFP

T-Bill Scandal Rocks Philippines

Compiled by Our Staff From Dispatches

MANILA — A multimillion-dollar swindle in the sale of treasury bills to private banks and government agencies prompted President Fidel V. Ramos on Wednesday to order a review of Central Bank regulations.

Central Bank Governor Gabriel Singson estimated losses to buyers of treasury bills from Bancapital Development Corp. at about 559 million pesos ($20.7 million), but banking sources said the figure could exceed 2 billion pesos.

Three officers of the bankrupt company, said to be known and trusted dealers in government securities for the past four years, have fled the country with millions of pesos in payments for undelivered treasury bills.

The Central Bank began a quiet investigation last week of banks, government agencies and investment firms that had bought treasury bills from Bancapital. It said two medium-size banks, which it did not identify, were swindled. Mr. Ramos said the Government Service Insurance System, the state pension fund, also was victimized.

The scandal became public Tuesday when Reynaldo Feliciano, vice president for funds management of the Bank of Commerce, thought to be one of the swindled banks, committed suicide. *(AP, Reuters)*

Malayan United Raises SCMP Stake

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Malayan United Industries Bhd. said Wednesday it bought a 5 percent stake in South China Morning Post Holdings Ltd. from Singapore Press Holdings Ltd., raising its stake of Hong Kong's best-selling English daily to 20.58 percent.

The move gave effective control of the newspaper company to Malaysian business interests, which will have a combined stake of 55.48 percent, including the 34.9 percent stake acquired by Robert Kuok's Kerry Media Ltd. from Rupert Murdoch's News Corp. last year. Mr. Kuok is a Malaysian-Chinese executive.

Malayan United, which is controlled by Khoo Kay Peng, last month bought Mr. Murdoch's remaining 15 percent stake in the Post for 1.036 billion Hong Kong dollars ($134 million).

Malayan United said it paid 343.1 million dollars for the additional 5 percent stake, or 4.57 dollars per share.

"There is no concerted plan to exert control over the daily," said Pel Loh, the company's spokesman. "The shares are acquired for long-term investment as part of the group's investment strategy," he said.

(AFP, Reuters, AFX)

NASDAQ

Wednesday's 4 p.m.

This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
		A								
17¼	8	AAON s		...	25	2557	14⅞	13¾	14⅝	+1⅛
20⅝	12	ABC Rail		...	...	355	17¾	16⅝	17⅜	-⅞
30	15	ABT Bld		...	15	327	23½	22¾	23½	-½
26½	10½	ACC Cp	.12a	.7	10	3816	19	16⅝	16¾	-2
24	4¾	ACS En s		...	...	265	15	14⅞	15	-½
46¾	30½	ACX Tc		...	32	564	36	34¾	35½	-½
44	21¼	ADC s		...	34	7780	41¼	38¾	40¾	+1½
17¼	11¼	AES Chn		...	...	994	12¾	12	12¾	+⅝
23¾	16	AESCp s	.68f	3.9	17	3961	17½	16½	17½	+½
25	19¼	AK Steel		...	...	5528	20½	20	20⅛	-⅛
22½	15¾	APS Hld		...	31	761	20½	19⅝	20¼	+¼
15¾	6¾	ASK		...	...	1455	9¼	8⅞	9	+½
33	13¾	AST		...	...	23688	16¼	14¾	15¼	+½
29½	17½	AbbeyH		...	27	268	20	19½	20	+½
31¾	12½	Acclaim s		...	16	6826	14⅝	13⅝	13¹¹⁄₁₆	-1⁄16
27½	13	AcmeMet		...	13	135	24¼	23¾	23¾	-⅝
20½	8½	Actel		...	31	911	9¾	9¼	9¾	+⅜
15¾	7¾	AdacLb	.48	4.8	8	147	10	9½	10	...
22½	9¼	Adaptc s		...	14	5758	15⅞	15⅛	15½	...
26½	10	Adelph h		...	...	327	10½	10	10½	...
37½	19½	AdiaSv	.16	.4	20	131	37½	35½	36½	-1
37	16¼	AdobeS s	.20	.7	24	7000	27	25¾	26¾	+1½
12¼	5½	AdvPro		...	...	407	6⅝	5⅞	5⅞	-¾
11½	5½	AdvTiss		...	...	1960	5½	5½	5½	...
46¼	24½	Advanta s	.20	.5	19	2335	39½	38¾	39½	+⅞
38½	20½	AdvantB s	.24	.7	18	2512	35	34	35	-¾
15	7¾	AgncyR		...	17	154	12⅝	12⅜	12⅜	-¼
16¾	7½	Agnico g	.10e	.9	...	935	11⅝	11¼	11⅝	-⅛
16¾	7¾	Agouron		...	...	98	13	12½	13	+¼
14½	1¼	AirMeth		...	...	819	3	2¾	3	+¼
61¼	38½	Airzo	1.69e	2.9	...	366	58½	58⅛	58⅜	+¼
21¼	14¼	Alantec		...	...	59	14¾	14¼	14¼	-½
23¾	16	Albank	.40e	.3	13	28	22¾	22¼	22¾	-⅜
19¼	9½	Aldila s		...	34	1691	17½	16½	17¼	+1½
34½	13½	Aldus		...	36	1834	29¾	28½	29⅞	+1⅝
28¼	23	AlexBld	.88	3.6	17	411	24¾	24¼	24⅜	+⅛
19¼	6½	AllosR		...	27	1015	13½	13¼	13½	-⅛
3⅞	1⅛	AllASem		...	15	1053	3	2⅞	2⅞	+⅛
14	7¾	AlignPh		...	...	1847	10¼	9½	9⅞	+⅛
16	7½	AlnSemi		...	17	1963	13¼	12½	12⅝	-⅝
24½	11¾	AlldCl		...	23	257	22¾	22⅛	22⅛	...
32½	21½	AlldGp s	.60	2.4	7	109	25¼	24¾	25	...

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
16½	10¾	CAI Wre		...	...	153	11	11	11	...
33½	17½	CTEC		...	...	1249	26	24¾	24¾	-¾
10¾	4	CACI		...	18	311	10	9⅝	9⅝	-⅛
32½	25¾	CadbyS	1.50e	5.0	130	800	30⅛	29¾	29¾	+⅛
11½	5½	Caere		...	...	606	7½	7	7¼	-⅛
17⅝	10	Calgene		...	...	15312	12¾	11	11¾	+⅛
23	9⅝	CalMD		...	37	3784	19½	18⅝	19⅝	+⅞
31¼	16	CalMic		...	18	425	20¾	19½	20	-¼
32	17¼	CWineA		...	16	915	23⅞	21¾	23⅞	+2⅜
82⅛	59¾	Canon I	.59e	.7	43	4	81¼	81¼	81¼	+½
20	13¾	Caraustr	.36	2.3	14	96	16	15½	15¾	-¼
50¾	25½	CrdnHlt	.12	.3	39	622	48	47	48	-¾
21	16½	CareerHz		...	...	634	19½	18½	18½	-⅝
14¼	8½	Careline		...	...	55	10¾	10½	10¾	+¼
18½	10¾	CarsPir		...	...	1956	16⅞	16½	16⅝	+½
13⅞	7⅝	Caseys s	.08	.8	15	1927	10⅞	10⅝	10⅝	-¼
25	10¾	CasAm s		...	18	926	21½	20¾	21½	+¼
36	9	CasinoDS		...	29	530	24	23	24	+1½
28¾	7¼	CasMag s		...	9	660	9	8½	8½	-½
25	7¼	CastlE s		...	2	307	11¾	11½	11⅝	-⅛
19¾	9	CathStr		...	11	4436	10½	10	10¼	...
24½	9½	CatoCp s	.10	.9	15	248	11⅝	11	11⅝	...
19	12	Celadon		...	...	159	16½	16	16¼	...
34¼	23½	Celestial		...	21	295	24¼	23¾	23⅝	-⅝
36½	17¼	CellPro		...	...	2006	22¼	21¼	22¼	+½
20¾	9⅛	Cellstar		...	14	377	11⅛	10⅞	10⅞	-¼
48½	35¾	CelCmA		...	...	255	46¾	46	46½	-½
26¼	16	CelCmPR		...	...	561	23½	22¼	23¼	+1½
24¾	3¼	CeltrTc s		...	...	11328	12¼	8¼	10¼	-1
45½	19¼	Cencall		...	...	1248	20¾	19½	20	+½
24½	12¾	CentCel		...	...	604	19¾	19	19⅝	+½
11⅛	4½	CentxTl		...	...	225	10⅜	10⅛	10⅛	...
43	16¾	Centgrm		...	20	8882	23¾	19⅝	23	+3⅝
15⅝	6⅝	Centocor		...	...	2877	12¼	11⅞	12	...
32¼	25⅝	CFidBk	1.12	3.7	11	526	30¾	30¼	30⅝	+⅜
19½	9	Cephln		...	...	2474	13½	12¼	13	+1⅛
49½	17¾	Cerner		...	30	968	31½	30½	30½	+⅛
36¼	17¾	Cervecer	.43e	2.0	21	249	21⅞	21⅜	21⅜	...
18⅞	9¼	ChrmSh	.09	1.0	13	6154	9⅝	d 9⅛	9⅜	-⅛
25	17	ChtOnF s	.60	3.0	8	2363	20¼	19¾	20¼	+½
16⅞	4⅝	Checkrs s		...	26	1530	5⅛	4⅞	4⅞	-⅛
24⅝	13½	Chescr s		...	31	203	17	16	17	+½
19	8	Chicos s		...	19	597	12¼	11¾	12¼	+¼
60½	34¾	Chancom		...	32	3914	39	36½	38¼	+1¾
7½	3¼	ChipsTc		...	...	1035	4½	4¼	4⅝	+⅛
96	53¾	Chiron		...	110	4325	67⅝	65¼	66⅞	+⅞

AMEX

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
		A								
9⅞	8⅛	AIM Str	.42	5.0	...	67	8⅜	d 8	8⅜	+⅛
37	16¼	ALC		...	25	3191	30½	29⅝	30¼	-⅝
11	8⅜	AM Intl n		...	...	300	9	9	9	+⅛
1⅛	½	AM In wt		...	...	8	1	15⁄16	1	+1⁄16
14⅞	7⅜	AMC		...	15	171	10½	10	10½	+½
24½	20¼	AMC pf		...	...	493	21⅞	21¾	21⅞	+⅛
5	1⅝	ARC		...	28	136	3½	3⅜	3⅜	-⅛
4⅞	1⅞	ARI Hld		...	...	20	u 4½	4½	4½	-⅛
26⅛	22	ARM F pf		...	...	13	23½	23⅜	23½	+⅛
2⅝	1⅝	ASR	.23e	12.3	...	73	1⅞	1⅞	1⅞	...
75⅝	61⅞	ATT Fd	2.71e	4.0	...	53	67½	66¼	67½	+1
8⅝	3⅞	AckCom		...	17	12	6⅝	6⅛	6⅝	...
3⅛	1¼	Action		...	18	91	2⅜	2¼	2⅜	-⅛
6⅛	4	AdmRsc		...	14	20	5⅝	5⅝	5⅝	...
6½	2⅝	AdvFin		...	19	36	3	2⅞	2⅞	-⅛
15⅝	9¾	AdvMag		...	...	5	13⅛	13	13	-⅛
5⅜	½	AdvMedT		...	...	93	1⅛	1	1⅛	+⅛

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
15½	12⅝	VoyMN2	.83a	6.3	...	32	13⅛	13⅛	13⅛	-⅛
15⅝	11½	VoyMN3 n	.75	6.1	...	25	12⅜	12	12⅜	+⅛
		W-X-Y-Z								
23⅞	17⅝	WRIT	.92	4.7	24	248	20	19⅝	19⅝	-⅛
6⅞	3½	WshSvg s	.08	2.1	6	110	4⅛	3⅞	3⅞	-⅛
17	11⅞	Watsc A	.26	1.6	12	2	16	16	16	-⅞
16⅞	12⅝	Watsc B	.26	1.6	12	2	16½	16⅛	16⅛	-⅛
13⅝	8	Wthfrd		...	23	1884	10⅝	10⅜	10⅝	+⅛
5⅞	2⅝	WelGrd		...	...	22	3⅛	3⅛	3⅛	...
1⅝	⅝	WendtBr	1.40e	203.6	...	3	11⁄16	11⁄16	11⁄16	...
149¾	108	Wesco	.98	.8	143	2	121½	121½	121½	-1
8½	4⅞	WstBrC		...	8	75	7⅝	7⅛	7⅝	+⅛
15⅝	12⅛	WIRET	1.12	8.4	15	144	13½	13⅜	13⅜	...
2⅛	1⁄16	WichRO		...	40	8	1⅛	1⅛	1⅛	...
3⅛	½	WinstRs		...	19	8	1⅜	1⅜	1⅜	+⅛
26⅞	20½	Worthn	.60	2.6	12	455	24	23⅝	23½	+⅛
11⅝	3⅝	Xytron		...	...	228	4⅝	4	4⅝	...

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

هكذا الأصل

شكرا من الاجل

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INTERNATIONAL FUNDS

May 18, 1994

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) fortnightly (every two weeks); (r) - regularly; (t) - twice weekly; (m) - monthly.

ABC INVESTMENT & SERVICES CO (E.C.)
Manama Bahrain PC
m ABC Futures Fund Ltd	$	
m ABC Islamic Fund (E.C.)	$	
m ABC Global Recovery Fd	$	104.11

ABN AMRO BANK, P.O. Box 283, Amsterdam
w Columbia Securities	Fl	146.42
w Trans Europe Fund Fl	Fl	
w Trans Europe Fund $	$	50.75

AIG FUND MANAGEMENT Ltd
d AIG Amer. Eq. Trust	$	29.1549
w AIG Balanced World Fd	$	1549.65
d AIG Emerg Mkts Bd Fd	$	100.3254
w AIG Eurocy Fund Plc	Ecu	177.2877
w AIG Euro Small Co Fd Plc	$	153.5479
w AIG Europe Fd Plc	$	170.0253
w AIG Japan Fund	$	111.0507
d AIG Japan Small Cos Fd	$	15.55
w AIG Latin America Fd Plc	$	152.2252
w AIG Multicurrency Bd Fd Plc	$	103.3731
w AIG South East Asia Fd	$	234.3590
d High Life Fund	Ecu	9.94
d UBZ Euro-Optimizer Fund	Ecu	12.73
d UBZ Liquidity Fund $	$	143.4149
d UBZ Liquidity Fund DM	DM	154.7761
d UBZ Liquidity Fund Ecu	Ecu	125.4637
d UBZ Liquidity Fund SF	SF	121.2851

ALFRED BERG
d Alfred Berg Norden	$	201.26

Alfred Berg Sicav
d Far East	$	113.74
d Germany	DM	248.78
d Global	$	171.32
d Japan	Y	12669.00
d Netherlands	Fl	238.67
d North America	$	114.50
d Switzerland	SF	128.00
d U.K.	£	76.58

ALPHA FUND MANAGEMENT, LTD
48 Par-La-Ville Rd, Hamilton, HM11 Bermuda
w Alpha Asia Hedge (May 11)	$	138.37
m Alpha Europe Fd (Apr 30)	Ecu	258.67
m Alpha Futures Fd (Apr 30)	$	205.54
m Alpha Glbl Pro Trad Apr 30	$	92.75
m Alpha Global Fd (Apr 30)	$	937.90
m Alpha Hedge Fd (Apr 30)	$	428.00
m Alpha Japan Spec (Apr 30)	$	295.01
m Alpha Latin Amer (Apr 30)	$	275.62
m Alpha Pacific Fd (Apr 30)	$	458.26
m Alpha SAM	$	127.74
m Alpha Short Fd (Apr 30)	$	
m Alpha Sht-T Fix Inc (Apr 30)	$	116.38
m Alpha Tdlgale Fd (Apr 30)	$	175.19
m Alpha Worthington (Apr 30)	$	
m Buch-Alpha EurHdg Apr 30	Ecu	152.71
m Globalvest Value (Apr 30)	$	174.60
w Heisei Japan Fund	Y	
m Hemisphere Neutral Apr 30	$	103.49
m Latinvest Value (Apr 30)	$	91.72
m NichAppl Aurelia (Apr 30)	$	
m Pacl RIM Opp BVI May 16	$	102.20 E
m Ringgen Int'l Fund (Apr 30)	$	110.59
m Sage Int'l Fd (Apr 30)	$	113.35
m Salus Int'l Fd (Apr 30)	$	107.46

ARRAL ASSOCIATES LTD
w Arral American Quant Fd	$	73.37
w Arral Asian Fund	$	344.85
w Arral Int'l Hedge Fund	$	212.13

BAIL 12 Place Vendome, 75001 Paris
m Intermarket Fund	$	580.49
f Interoffi Convert Bds	FF	2812.41
f Interoffi Intl Bds	$	505.39
f Interoffi Obli Convertibles	$	645.86

Intermarket Multicurrency Fund
m Class A	FF	2360.09
m Class B	£	
m Class C	Y	52034.00

BANK BRUSSELS LAMBERT (32-2) 547 2007
d BBL Invest America	$	406.63
d BBL Invest Belgium	BF	13291.00
d BBL Invest Far East	Y	37900.00
d BBL Invest Asia	$	617.27
d BBL Invest Latin Amer	$	507.41

w Sud-Est Asiatique		
w Global		

BUCHANAN FUND LIMITED
Cs. Bank of Bermuda Ltd (809) 295-4000
f Global Hedge USD	$	13.25
f Global Hedge GBP	£	13.90
f European & Atlantic	$	11.88
f Pacific	$	13.97
f Emerging Markets	$	23.45

CAISSE CENTRALE DES BANQUES POP.
d Fructilux - Obl. Fses A	FF	8544.11
d Fructilux - Obl. Euro B	Ecu	1535.33
w Fructilux - Actions Fses C	FF	9423.02
d Fructilux - Actions Euro D	Ecu	1803.94
d Fructilux - Court Terme E	FF	8540.51
d Fructilux - D Mark F	DM	1078.87

CALLANDER
w Callander Emer. Growth	$	125.14
w Callander F-Asset	$	140.64
w Callander F-Austrian	AS	1237.02
w Callander F-Spanish	Pta	9449.00
w Callander F-US Health Care	$	59.41
w Callander Swiss Growth	SF	154.58

CAMPBELL (BERMUDA) LTD
w Gibl Institutional (1 Apr)	$	895.91

CANADIAN INTERNATIONAL GROUP
d CI Canadian Growth Fd	C$	6.45
d CI North American Fd	C$	7.81
d CI Pacific Fund	C$	17.17
d CI Global Fund	C$	9.45
d CI Emerg Markets Fd	C$	8.57
d CI European Fund	C$	5.97
d Canada Gtd. Mortgage Fd	C$	18.49

CAPITAL INTERNATIONAL
w Capital Int'l Fund	$	131.70
w Capital Italia SA	$	46.73

CDC INTERNATIONAL
w CEP Court Terme	FF	174285.22
w GFI Long Terme	FF	1517288.68

CINDAM BRAZIL FUND
d Cindam Equity Fund	$	117.0183
d Cindam Balanced Fund	$	109.2773

CITIBANK (LUXEMBOURG) S.A.
POB 1373 Luxembourg Tel 477 95 71
d Citinvest Global Bond	$	100.34
d Citinvest FGP USD	$	1241.30
d Citinvest FGP ECU	Ecu	1389.45
d Citinvest Selector	$	1418.15
d Citicurrencies USD	$	1677.67
d Citicurrencies DEM	DM	142.13
d Citicurrencies GBP	£	162.24
d Citicurrencies Yen	Y	12282.00
d Citiport N.A. Equity	$	227.07
d Citiport Cont. Euro Equity	Ecu	191.50
d Citiport UK Equity	£	143.78
d Citiport French Equity	FF	1490.88
d Citiport German Equity	DM	100.44
d Citiport Japan Equity	Y	4951.00
d Citiport IAPEC	$	229.01
d Citiport Eamec	$	178.72
d Citiport N.A. $ Bond	$	157.30
d Citiport Euro Bond	Ecu	155.39
d Managed Currency Fund	$	143.92

CITIBANK (PARIS) S.A.
w Citi 96 Cap Gtd	$	9753.62

CITITRUST
w US $ Equities	$	252.45421
w US $ Money Market	$	15.99132
w US $ Bonds	$	16.62000
w Citiland	$	1409.71222
m Citiperformance PHI S.A.	$	15.10116
w The Good Earth Fund	$	11.36271

COMGEST (33-1) 44 70 75 10
w Comgest Asia	$	1338.36
w Comgest Europe	SF	1270.64

CONCEPT FUND
b WAM Global Hedge Fd	$	1044.46
b WAM Intl Bd Hedge Fd	$	990.41

CONCERTO LIMITED
w NAV 15 April 1994	$	94.97

COWEN ASSET MANAGEMENT
Cowen Enterprise Fund N.V.

w European Equity Fd	$	120.27

EVEREST CAPITAL (809) 292 2200
m Everest Capital Intl Ltd	$	139.46

FIDELITY INT'L INV. SERVICES (Lux)
d Discovery Fund	$	20.15
d Far East Fund	$	82.64
d Fid. Amer. Assets	$	194.97
d Fid. Amer. Values IV	$	11213.00
d Frontier Fund	$	34.27
d Global Ind Fund	$	19.11
d Global Selection Fund	$	22.56
d International Fund	$	20.34
d New Europe Fund	$	13.93
d Orient Fund	$	131.85
d Special Growth Fund	$	41.49
d World Fund	$	115.07

FINMANAGEMENT SA-Lugano(41.91/239312)

GUINNESS FLIGHT INT'L ACCUM FD
d Deutschemark Money	DM	
d US Dollar Money	$	
d US Dollar High Yd Bond	$	
d Int'l Balanced Grth	$	

HASENBICHLER ASSET MANGT Ges.mbH.
w Hasenbichler Com AG	$	6714.00
w Hasenbichler Com Inc	$	123.90
w Hasenbichler Div	$	137.70
w AFFT	$	1457.00

HDF FINANCE, Tel(33-1)40766456, Fax 40766455
w Mondinvest Europe	FF	1369.39
w Mondinvest Croissance	FF	1466.18
w Mondinvest Opp Intles	FF	1336.08
w Mondinvest Emerg Growth	FF	1354.14
w Mondinvest Futures	FF	1319.64

CANADIAN DOLLAR PORTFOLIO
d Category A	C$	14.13
d Category B	C$	13.90

CORPORATE HIGH INCOME PTFL
d Class A-1	$	9.46
d Class A-2	$	9.63
d Class B-1	$	9.40
d Class B-2	$	9.81

DEUTSCHE MARK PORTFOLIO
d Category A	DM	13.25
d Category B	DM	12.57

EUROPEAN BOND PORTFOLIO (DM)
d Class A-1	$	14.82
d Class A-2	$	14.08
d Class B-1	$	14.82
d Class B-2	$	15.95

d Regent Glbl UK Grth Fd	$	1.8965
w Regent Magnut Fd Ltd	$	9.36
m Regent Pacific Hdg Fd	$	114.1127
d Regent Sri Lanka Fd	$	9.87
w Undervalued Assets Ser 1	$	11.71

ROBECO GROUP
POB 973,3000 AZ Rotterdam,(31)10 2241224
d RG America Fund	Fl	138.80
d RG Europe Fund	Fl	137.60
d RG Pacific Fund	Fl	149.30
d RG Divirente Fund	Fl	54.10
d RG Money Plus F Fl	Fl	113.99
d RG Money Plus F $	$	102.87
d RG Money Plus F DM	DM	111.72
d RG Money Plus F SF	SF	107.06

More Robeco see Amsterdam Stocks

d US Government	$	9.43
d Emerging Mkts Fix Inc	$	12.11
d Haven	SF	10.94

TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1	$	13.16
d Class A-2	$	17.06
d Class A-3	$	14.97
d Class B-1	$	12.65
d Class B-2	$	16.55

INCOME PORTFOLIO
d Class A	$	9.83
d Class B	$	9.56

THORNTON MANAGEMENT LTD
d Pacif Invt Fd SA £	£	14.53
d Pacif Invt Fd SA DM	DM	36.49
d Eastern Crusader Fund	$	13.17
d Thor. Lmi Dragons Fd Ltd	$	39.96
d Thornton Orient Inc Fd Ltd	$	27.43
d Thornton Tiger Fd Ltd	$	53.15
d Managed Selection	$	21.70
w Jakarta	$	13.65
d Korea	$	15.78

NEW TIGER SEL. FUND
d Hong Kong	$	50.56

d Emi France Ind. Plus B	FF	1640.71
d Emi Germ. Ind. Plus A	DM	111.75
d Emi Germ. Ind. Plus B	DM	115.69
d Emi Neth. Index Plus A	Fl	685.43
d Emi Neth. Index Plus B	Fl	699.58
d Emi Spain Ind. Plus A	Pta	12554.00
d Emi Spain Ind. Plus B	Pta	13091.00
d Emi UK Index Plus A	£	129.48
d Emi UK Index Plus B	£	140.74
m Equistar Offshore Ltd	$	113.15
w Espir. Sto Inv. M Ecu Bd Fd	Ecu	107.57
w Espir. Sto Inv. Sth Eur Fd	$	6.92
d Europe 1992	$	11.19
d Europe Obligations	Ecu	103.61
w F.I.T. Fund FF	FF	148.82
w F.M.P. Portfolio	$	0.6901
w Fairfield Int'l Ltd	$	217.65
w Fairfield Sentry Ltd	$	329.15
w Fairfield Strategies Ltd	$	83.15
m Fatum Fund	$	1135.84
m Firebird Overseas Ltd	$	148.22
w First Eagle Fund	$	60501.94
w First Ecu Ltd	Ecu	35.31
m First Frontier Fund	$	66.18
m First Intl Investment Ltd	$	3.91

w Telecom Invest	$	992.48

INTER OPTIMUM
w Interbond USD	$	1394.25
w BEF/LUF	BF	106478.00
w Multidevises DM	DM	2980.46
w USD	$	1323.56
w FRF	FF	15217.58
w ECU	Ecu	1222.99

INTER STRATEGIE
w Australie	$	1228.15
w France	FF	12141.89
w Europe du Nord	£	1269.22
w Europe du Centre	DM	2903.46
w Europe du Sud	Ecu	1890.46
w Japon	Y	121177
w Amerique du Nord	$	1520.38

INTERNATIONAL INCOME FUND
d Long Term	$	31.7538
d Long Term - DMK	DM	106.6257

ERMITAGE LUX (352-4073 38)
w Ermitage Inter Rate Strat	DM	10.87
w Ermitage Selz Fund	$	63.20
w Ermitage Asian Hedge Fd	$	11.32
w Ermitage Euro Hedge Fd	DM	11.97
w Ermitage Crosby Asia Fd	$	18.45
w Ermitage Amer Hdg Fd	$	8.69
w Ermitage Emer Mkts Fd	$	14.26

EUROPA FUNDS LIMITED
d American Equity Fund	$	249.79
d American Option Fund	$	146.56
w Asian Equity Fd	$	126.99

w G.T. US Small Companies	$	

GUERNSEY CAPITAL MANAGEMENT LTD
f GCM Global Sel. Eq.	$	104.91

GUINNESS FLIGHT FD MNGRS (Guesey) Ltd
GUINNESS FLIGHT GLBL STRATEGY FD
d Managed Currency	$	39.86
d Global Bond	$	36.62
d Global High Income Bond	$	22.64
d Gilt & £ Bond	£	18.96
d Euro High Inc. Bond	£	23.37
d Global Equity	$	92.44
d American Blue Chip	$	27.27
d Japan and Pacific	$	129.88
d UK	£	26.46
d European	£	117.59

w Europe Growth Fund N.V.	Fl	86.31
w Japan Diversified Fund	$	53.94
w Leveraged Cap Hold	$	59.08
w Tokyo Pac. Hold. N.V.	$	257.44

MERRILL LYNCH
d Dollar Assets Portfolio	$	1.00
d Prime Rate Portfolio	$	10.00

MERRILL LYNCH SHORT-TERM
WORLD INCOME PORTFOLIO
d Class A	$	8.55
d Class B	$	8.55

MERRILL LYNCH
GLOBAL CURRENCY BOND SERIES
AUSTRALIAN DOLLAR PORTFOLIO
d Category A	A$	18.32
d Category B	A$	17.96

REGENT FUND MANAGEMENT LTD

TEMPLETON GLOBAL STRATEGY SICAV
d Global Growth	$	13.11
d DM Global Growth	DM	14.38
d Smaller Companies	$	13.09
d American	$	16.44
d Far East	$	14.34
d Emerging Markets	$	15.71
d European	SF	11.67
d Global Income	$	11.77
d DM Global Bond	DM	10.85

d Sterling Bond Selection	£	112.74
d Sw. Foreign Bond Selection	SF	110.42
d SwissValor	SF	583.75
d Universal Bond Selection	SF	78.75
d Universal Fund	SF	122.25
d Yen Bond Selection	Y	11890.00

w Curr. Concept 2000	$	104.64
d D. Witter Wld Wide Ivt Tst	$	28.58
w D.G.C.	$	314.78
d Daiwa Japan Fund	Y	6986
d DB Argentina Bd Fd	$	9486.91
d DBSC / Nafin Bond Fund	$	10036.65
w Derivative Asset Alloc	$	1136.89
d Dreyfus America Fund	$	21.41
f DVT Performance Fd	$	106.99
m Dynasty Fund	$	1.65
w Egs Overseas Fund Ltd	$	1615.80
m Elite World Fund Ltd	SF	9581.15
d Emi Belg. Ind. Plus A	BF	11476.00
d Emi Belg. Ind. Plus B	BF	12247.00
d Emi France Ind. Plus A	FF	1013.18

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SPORTS

Rangers Shut Out The Devils to Tie East Final at 1-1

By Joe Lapointe
New York Times Service

NEW YORK — Ranger fans can postpone their panic attack. All is well for the team, which defeated the Devils, 4-0, on Tuesday night at Madison Square Garden.

Devils' fans can stay optimistic as well. All is pretty good for the team, which kept the game close

STANLEY CUP PLAYOFFS

and tense for two periods without playing particularly well.

The result evened the National Hockey League's Eastern Conference final at one victory each.

It was the fourth shutout of the playoffs for Mike Richter, the Ranger goalie, who faced 16 shots.

Among the other top Ranger performers Tuesday night was Mark Messier, the captain, who scored on the first shot of the game.

Glenn Anderson, Sergei Nemchinov and Adam Graves also scored for the Rangers.

The Devils' best player was Martin Brodeur, their goalie, who suffered several bumps and bruises and left the game late in the third period after making 36 saves.

A key moment of the game came late in the second period, when the Devils had a two-man advantage for 1 minute, 16 seconds but could manage only one shot on goal.

The Rangers outshot the Devils by 11-5 in the first period. The Rangers held the advantage in the early part of the second, but the Devils slowly turned the momentum in the middle part of the session.

Brodeur came up big when tested on tough shots by Steve Larmer and Aleksei Kovalev. Richter got his chance to shine with 7:12 left in the period when Bill Guerin cruised down the left boards on a fast break that began when Jeff Beukeboom of the Rangers got caught pinching deep in the attack zone.

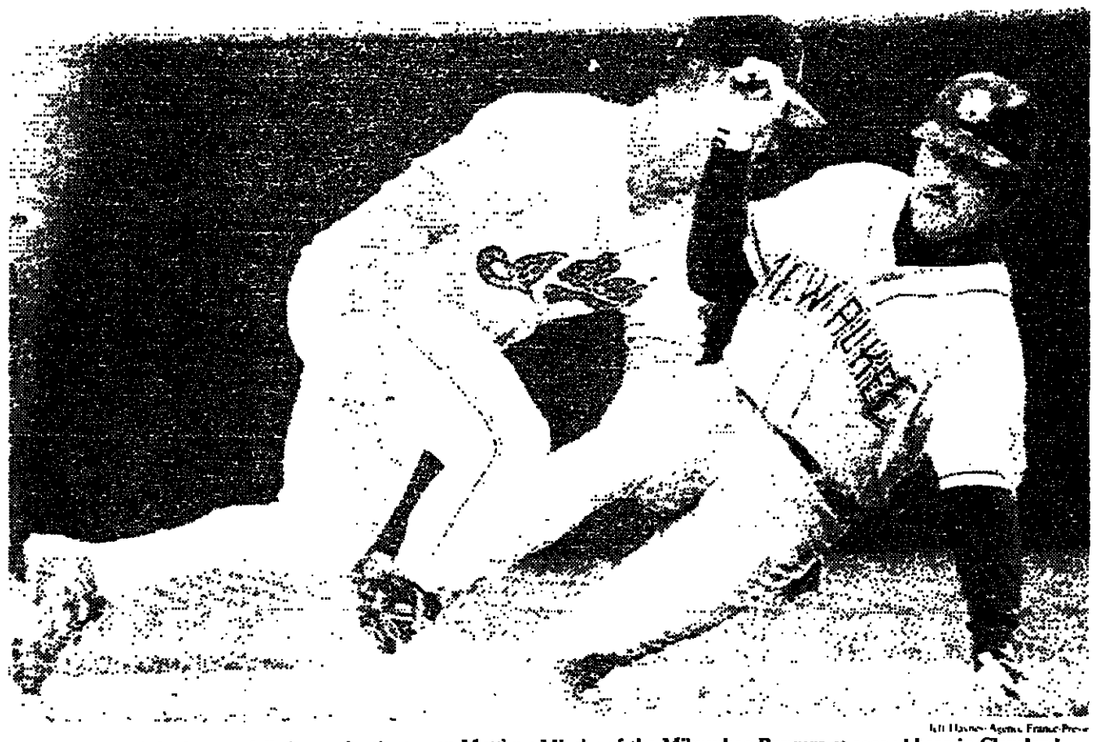
After Richter stopped Guerin with a stab and juggle of the glove on his left hand, Beukeboom caught up to the play just in time to run Scott Stevens into the backboards and draw a penalty. The Devils' power play quickly became more powerful when Esa Tikkanen, cruising the crease at the other end, was penalized for charging into Brodeur.

That gave the Devils a two-man advantage for 1:16, but they didn't put consistent pressure on Richter and managed only one shot on goal.

The Rangers scored three goals in the first half of the third period.

■ Fedorov Is Suspended

Sergei Fedorov, center for the Detroit Red Wings, will sit out the first four games of the regular season, the National Hockey League announced, because he crosschecked and punched Jay More of San Jose in a playoff game on April 30, The New York Times reported.



Carlos Baerga of the Indians failed to make the tag on Matthew Mieske of the Milwaukee Brewers at second base in Cleveland.

Reds Stop the Braves, 4-3, in Battle of League's Best

The Associated Press

The Cincinnati Reds and Atlanta Braves played a game worthy of their standing. The teams with the best records in the National League had to go to extra innings on Tuesday night before the Reds eked out a 4-3 victory.

Kevin Mitchell, who scored from third on Jacob Brumfield's sacrifice fly in the 10th inning, said: "When you have

NL ROUNDUP

two teams in first place, any kind of mistake you make they're going to capitalize on. You felt it was going to be tight like that. It was going to come down to the last nitty-gritty."

The Central Division-leading Reds, who at 24-13 are a half-game better than the East-leading Braves (23-13), tied it in the ninth and won it in the 10th off Atlanta's stopper, Greg McMichael, and ruined a fine outing by Greg Maddux. The Atlanta starter, bidding for his seventh victory, gave up two runs and seven hits in eight innings.

In the ninth, Bret Boone doubled with one out and Brumfield walked. After Eddie Taubensee struck out, Barry Larkin singled to make it 3-3.

In the 10th, McMichael made two errors on Mitchell's comebacker, bobbling the ball and then throwing it into the Reds' dugout to move Mitchell to second. Tony Fernandez's intentional walk and Boone's single loaded the bases for Brumfield.

Jeff Brantley pitched the 10th to get the victory.

Rockies 7, Dodgers 6: In Denver, Andres Galarraga completed a three-run rally with a one-out single off Jim Gott in the ninth. Mike Kingery led off with a pinch-hit double off Darren Dreifort, and Howard Johnson's pinch hit single brought him in. After another single by Walt Weiss, Gott replaced Dreifort.

Joe Girardi sacrificed the runners to second and third, and the tying run scored when Johnson beat Tim Wallach's throw home on Dante Bichette's bounder to third. Galarraga then singled to center, his second RBI of the night.

Phillies 6, Expos 5: In Philadelphia, Sean Berry fielded Ricky Jordan's grounder to third and threw wildly to the plate, allowing the tying and winning runs to score in the bottom of the ninth.

Mets 4, Marlins 3: In New York, Joe Orsulak, who had homered earlier, hit a two-run single with two out and the bases loaded in the ninth. Todd Hundley opened the ninth with a walk off Yorkis Perez, and John Cangelosi sacrificed him to second. Jeremy Hernandez came on to retire one batter, then issued walks to Jose Vizcaino and Jeff McKnight to load the bases.

Giants 5, Astros 2: Barry Bonds drove in three runs and Willie McGee also homered as San Francisco won in Houston. Bonds hit a two-run homer in the fourth and McGee followed with a solo homer. Then Bonds added his 11th homer of the year in the eighth.

Cardinals 2, Pirates 0: In Pittsburgh, Tom Urbani held the Pirates to one hit over 7⅔ innings and five relievers went the rest of the way. Carlos Garcia had two singles for Pittsburgh's hits. Rene Arocha got the final out of the ninth for his first save.

Cubs 11, Padres 4: In Chicago, San Diego led by 3-0 until the third, when the Cubs erupted against Scott Sanders, activated from the disabled list before the game. Steve Buechele and Rick Wilkins singled and Tuffy Rhodes hit a sacrifice fly. Rey Sanchez reached on a third-strike wild pitch. Brad Ausmus was charged with a passed ball and Sanders threw another wild pitch on ball four to Ryne Sandberg that allowed Wilkins to score the second run.

Twins Bring End To Yanks' Streak

The Associated Press

A blister gave the Minnesota Twins the break they needed to stop the New York Yankees and their 10-game winning streak.

Jimmy Key held the Twins to five hits in seven innings, but left when a blister developed on his left index finger. Minnesota then rallied against the Yankees' relievers for three runs in the eighth and a 5-

AL ROUNDUP

4 victory Tuesday night at the Metrodome in Minneapolis.

"It was getting to the point where it was getting sore," Key said. "You start adjusting your delivery, and it throws you off and could cause a more serious injury. There was no sense risking it."

The Yankees had been 24-0 when leading after seven innings, and the Twins had been 1-18 when trailing after seven. But Bob Wickman, Sterling Hitchcock and Xavier Hernandez could not hold a 4-2 lead.

Wickman relieved to start the eighth, gave up Matt Walbeck's double and was replaced by Sterling Hitchcock, who gave up Chuck Knoblauch's one-out RBI single.

Xavier Hernandez came in and retired Chip Hale on a fly to Bernie Williams in center field, with Knoblauch tagging up and hustling into second.

After Knoblauch scored the tying run on Puckett's single, Mack sent a 2-2 pitch just over Williams's head for his second double of the game.

White Sox 10, Angels 2: Hours after announcing that they were changing managers, the Angels could not change their luck. Julio Franco homered and drove in five runs as Chicago won in Anaheim, California.

Buck Rodgers was dismissed earlier and replaced by Marcel Lachemann, the Florida Marlins' pitching coach. The Angels' first base coach, Bobby Knoop, will fill in for two games before Lachemann takes over on Thursday.

Rangers 8, Athletics 7: Will Clark singled home the winning run in the 10th inning and Texas again turned back an Oakland rally at the Coliseum.

The A's overcame an early deficit and went ahead, 7-5, on a two-out, tying single by Ernie Riles had Dennis Eckersley gave up a two-out, tying single to Juan Gonzalez in the ninth. In the 10th, Manny Lee singled off Steve Ontiveros and moved up on a sacrifice and scored on Clark's single.

Tigers 13, Blue Jays 6: Cecil Fielder and Gomez homered and drove in four runs as Tim Belcher and Dave Mlicki won at the SkyDome in Toronto. The Tigers stopped a Toronto losing streak and sent Toronto to its sixth loss in seven games.

Belcher won for the first time in nine starts since signing with Detroit on Feb. 7.

Indians 7, Brewers 3: Kenny Lofton homered twice in a game for the first time, and Cleveland, visiting Milwaukee for its third straight victory. The Brewers lost their sixth in a row.

Albert Belle hit his 11th home run, a three-run shot, and Carlos Baerga had a two-run homer for Cleveland.

Orioles 3, Red Sox 2: Mike Mussina kept up with Roger Clemens and Baltimore beat Boston at Camden Yards. Mussina pitched eight strong innings, striking out seven and walking one. Lee Smith worked the ninth for his 16th save.

With the score tied at 2 in the Oriole eighth, Rafael Palmeiro got an infield single that extended his hitting streak to 19 games, longest in the majors this season. Harold Baines, who homered earlier, singled Palmeiro to third, and Cal Ripken hit a sacrifice fly.

Royals 4, Mariners 0: David Cone pitched his second straight shutout and won his seventh consecutive start as Kansas City beat Seattle at the Kingdome. Cone struck out 10 and pitched a four-hitter. He did not allow a hit until Eric Anthony singled with two outs in the sixth inning.

SCOREBOARD

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
New York	26	11	.703	—
Boston	24	13	.649	2
Baltimore	22	13	.629	3
Toronto	18	20	.474	8½
Detroit	16	20	.444	9½
Central Division				
Chicago	21	16	.568	—
Kansas City	19	17	.528	1½
Cleveland	18	17	.514	2
Minnesota	19	19	.500	2½
Milwaukee	17	20	.459	4
West Division				
Texas	17	19	.472	—
Seattle	15	22	.405	2½
California	16	24	.400	3
Oakland	11	28	.282	7½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Atlanta	23	13	.639	—
Montreal	21	17	.553	3
Florida	21	18	.538	3½
New York	20	18	.526	4
Philadelphia	17	22	.436	7½
Central Division				
Cincinnati	24	13	.649	—
St. Louis	19	18	.514	5
Houston	19	19	.500	5½
Pittsburgh	18	19	.486	6
Chicago	13	24	.351	11
West Division				
Los Angeles	21	18	.538	—
San Francisco	21	18	.538	—
Colorado	17	19	.472	2½
San Diego	10	28	.263	10½

Tuesday's Line Scores

AMERICAN LEAGUE

Kansas City 202 000 000—4 7 0
Seattle 000 000 000—0 4 0
Cone and Mayne; Salkeld, Plantenberg (6), J.Nelson (8) and Haselman. W—Cone, 7-1. L—Salkeld, 1-2.

Milwaukee 000 010 200—3 9 0
Cleveland 301 030 00x—7 9 0
Eldred, Orosco (6), Bronkey (8) and Harper; Martinez, Mesa (8), Shuey (9) and Alomar. W—Martinez, 2-4. L—Eldred, 3-5. HRs—Milwaukee, O'Leary (1). Cleveland, Lofton 2 (6), Baerga (5), Belle (11).

Detroit 023 035 000—13 12 0
Toronto 013 020 000— 6 11 1
Belcher, Henneman (9) and Flaherty; Stottlemyre, Williams (6), Brow (6) and Borders. W—Belcher, 1-7. L—Stottlemyre, 3-2. HR—Detroit, Gomez (4). Toronto, Alomar (2).

Corter (11).

Boston 000 010 100—2 9 1
Baltimore 000 011 01x—3 5 0
Clemens and Berryhill; Mussina, Smith (9) and Hoiles. W—Mussina, 7-1. L—Clemens, 4-2. Sv—Smith (16). HRs—Boston, Hoehring (6). Baltimore, Baines (5).

New York 000 030 100—4 9 0
Minnesota 010 100 03x—5 9 1
Key, Wickman (8), Hitchcock (8), Hernandez (8) and Melvin; Deshaies, Guthrie (8), Aguilera (9) and Walbeck. W—Guthrie, 2-1. L—Hernandez, 2-1. Sv—Aguilera (8). HRs—New York, Gallego (3). Minnesota, Mack (3).

Chicago 230 210 200—10 16 2
California 101 000 000— 2 4 1
Bere, Schwarz (9) and Karkovice; Langston, Donson (6), B.Patterson (7), Grahe (9) and Fabregas. W—Bere, 4-1. L—Langston, 2-1. HRs—Chicago, Thomas (13), Franco (10).

Texas 320 000 002 1—8 14 2
Oakland 014 020 000 0—7 11 1
(10 innings)

Hursl, Foiardo (5), Carpenter (9), Honeycutt (10) and Rodriguez, Ortiz (3); Jimenez, Briscoe (7), Eckersley (9), Oliveros (10) and Steinbach, Hemond (3). W—Carpenter, 2-0. L—Oliveros, 1-2. Sv—Honeycutt (1). HRs—Texas, Canseco (9). Oakland, Berroa (7), Neel (6).

NATIONAL LEAGUE

San Diego 102 000 000— 4 10 1
Chicago 007 300 18x—11 12 0
Sanders, Ellison (3), Taboka (4), P.A.Martinez (7), Hoffman (8) and Ausmus; Guzman, Bullinger (7) and Wilkins, Parent (8). W—Guzman, 1-2. L—Sanders, 1-3. Sv—Bullinger (1). HR—Chicago, Sosa (7).

St. Louis 000 001 100—2 5 0
Pittsburgh 000 000 000—0 2 0
Urbani, Habyan (8), Murphy (8), Perez (9), R.Rodriguez (9), Arocha (9) and McGriff; Smith, Micell (9) and Parrish, Slaught (9). W—Urbani, 1-3. L—Smith, 4-4. Sv—Arocha (1).

Florida 000 002 010—3 10 0
New York 100 001 002—4 6 0
Rapp, Aquino (7), Mutis (8), Perez (9), Hernandez (9) and Santiago; Smith, Mason (8), Franco (9) and Shinnell, Hundley (8). W—Franco, 1-2. L—Hernandez, 2-2. HRs—Florida, Conine (9). New York, Orsulak (5).

Atlanta 000 030 000 0—3 7 2
Cincinnati 000 000 111 1—4 10 0
(10 innings)

Maddux, McMichael (9) and Lopez; Pugh, Ruffin (6), McElroy (7), Fortugno (8), Brantley (10) and Dorsett, Taubensee (8). W—Brantley, 3-1. L—McMichael, 1-2.

San Francisco 000 370 010—5 7 0
Houston 010 100 000—2 7 0
Swift, Jackson (7), Beck (9) and Reed; Harnisch, Jones (6), Veres (8) and Servais. W—Swift, 6-3. L—Harnisch, 2-4. Sv—Beck (7). HRs—San Francisco, Bonds 2 (11), McGee (4).

Montreal 000 001 310—5 10 1
Philadelphia 200 001 012—6 13 2
Martinez, Heredia (6), Scott (6), Wetteland (8) and Fletcher; Greene, West (7), Slocumb (7), Andersen (8), Jones (9) and Daulton. W—Jones, 2-1. L—Wetteland, 2-3.

Los Angeles 310 000 100—5 10 3
Colorado 301 000 003—7 13 1
Astacio, Dreifort (9), Gott (9) and Piazza; Harkey, Holmes (7), McMunoz (7), Bottenfield (7) and Girardi. W—Bottenfield, 1-0. L—Dreifort, 0-3. HRs—Los Angeles, Karros (5), Snyder (6). Colorado, Galarraga (14).

Japanese Leagues

Central League

	W	L	T	Pct.	GB
Yomiuri	21	12	0	.636	—
Chunichi	16	15	0	.516	4
Yakult	17	16	0	.515	4
Hanshin	16	16	0	.500	4½
Hiroshima	13	18	0	.419	7
Yokohama	13	19	0	.406	7½

Wednesday's Results
Yomiuri 6, Hiroshima 0
Yakult 9, Chunichi 6
Hanshin 2, Yokohama 0

Pacific League

	W	L	T	Pct.	GB
Seibu	21	11	0	.656	—
Daiei	20	13	0	.606	1½
Orix	15	16	0	.484	5½
Lotte	14	17	0	.452	6½
Kintetsu	12	18	1	.400	8
Nippon Ham	13	20	1	.394	8½

Wednesday's Results
Seibu 4, Nippon Ham 2
Daiei 5, Kintetsu 3
Lotte 10, Orix 0

The Michael Jordan Watch

TUESDAY'S GAME: Jordan went 1-for-5 in a doubleheader against Greenville with a single, four flyouts, one ground out, two strikeouts and one walk. He was caught stealing twice. Jordan had one outout in right field.

SEASON TO DATE: Jordan is batting .228 (31-for-136) with 18 runs, six doubles, 18 RBI, 10 walks, 38 strikeouts and 18 stolen bases in 16 attempts. Jordan has 51 outouts, one assist and four errors.

Tuesday's NBA Playoffs

Indiana	19	22	28	15	—76
Atlanta	22	25	18	23	—88

Indiana leads series 3-2
Indiana: D.Davis 0-20-20, Mckey 9-19 2-3 20, Smits 2-8 2-2 6, Miller 8-18 1-3 22, Workman 0-8 4-4 4, A.Davis 3-6 2-3 8, Scott 2-11 3-4 7, Fleming 3-5 3-3 9, Williams 0-0 0-0 0, Mitchell 0-0 0-0 0. Totals 27-77 17-24 76.

Atlanta: Manning 7-15 6-8 20, Willis 5-9 0-0 10, Kanoch 0-2 0-0 0, Avgamon 4-8 1-4 9, Blaylock 6-12 1-4 14, Ferrell 3-5 1-2 7, Lang 2-7 1-2 5, Elio 9-13 2-3 22, Whettler 0-1 1-2 1. Totals 36-72 13-25 88.

3-Point goals—Indiana 5-13 (Miller 5-7, McKey 0-1, Scott 0-1), Atlanta 3-5 (Elio 2-3, Blaylock 1-2). Fouled out—None. Rebounds—Indiana 52 (Mckey 13), Atlanta 53 (Blaylock 10). Assists—Indiana 17 (Workman 9), Atlanta 23 (Blaylock 13). Total fouls—Indiana 27, Atlanta 22. Technicals—Mckey, Atlanta illegal defense. Flagrant foul—Avgamon.

Denver	15	24	22	26	7	—109
Utah	18	29	23	24	7	—101

Utah leads series 3-2
Denver: Ellis 4-17 0-0 8, R.Williams 4-12 1-1 10, Mutombo 7-4 3-6 7, Abdul-Raul 9-21 4-4 22, Smith 4-10 14-14 22, Pack 4-11 11-12 19, B.Williams 7-11 5-9 19, Rogers 9-20 0-0, Hammonds 0-1 2-2 2. Totals 34-93 40-48 109.

Utah: Corbin 6-15 4-4 17, Malone 8-18 6-12 22, Spencer 5-11 3-5 13, Stockton 7-18 4-5 18, Hornacek 6-18 3-3 15, Humphries 0-2 0-0 0, Chambers 3-10 4-4 10, Benoit 1-8 4-4 6, Howard 0-0 0-0 0. Totals 36-100 28-37 101.

3-Point goals—Denver 1-15 (R.Williams 1-5, Ellis 0-1, Smith 0-1, Rogers 0-1, Abdul-Raul 0-2, Pack 0-5), Utah 1-10 (Corbin 1-1, Humphries 0-1, Hornacek 0-2, Stockton 0-3, Benoit 0-3). Fouled out—Ellis, Malone, Chambers. Rebounds—Denver 62 (Ellis, B.Williams 11), Utah 68 (Corbin, Spencer 14). Assists—Denver 23 (Pack 7), Utah 23 (Stockton 13). Total fouls—Denver 32, Utah 38. Technicals—Mutombo, Pack, Humphries, Utah illegal defense. Denver illegal defense 2. Flagrant fouls—Humphries.

Phoenix	21	16	24	25	—86
Houston	32	26	29	22	—109

Houston leads series 3-2
Phoenix: Barkley 14-25 0-2 30, Ceballos 5-12 1-2 11, West 1-4 0-0 2, K.Johnson 4-13 2-2 10, Majerle 0-6 0-0 0, Green 3-7 1-3 8, Miller 5-6 3-3 13, Ainge 1-3 0-0 2, Perry 1-7 0-0 2, F.Johnson 1-5 0-0 2, Kleine 2-3 0-0 4, Henry 1-6 0-0 2. Totals 38-97 7-12 86.

Houston: Harry 3-4 1-2 7, Thorpe 8-12 4-6 20, Olajuwon 8-14 4-4 20, Maxwell 5-10 1-1 12, Smith 5-8 4-4 16, Elie 3-5 4-4 10, Herrera 1-10 0-2, Cassell 2-5 4-4 8, Cureton 3-4 2-2 8, Brooks 1-2 0-0 2, Bullard 2-6 0-0 4, Jent 0-2 0-0 0. Totals 41-73 24-26 109.

3-Point goals—Phoenix 3-13 (Barkley 2-6, Green 1-2, K.Johnson 0-1, Majerle 0-2, Henry 0-2), Houston 3-10 (Smith 2-3, Maxwell 1-4, Harry 0-1, Elie 0-1, Bullard 0-1). Fouled out—None. Rebounds—Phoenix 44 (Miller 7), Houston 54 (Thorpe 13). Assists—Phoenix 16 (Miller, Henry 3), Houston 27 (Cassell 7). Total fouls—Phoenix 28, Houston 13.

HOCKEY

Tuesday's Playoff Score

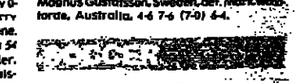
New Jersey	0	0	0—0
N.Y. Rangers	1	0	3—4

Series tied 1-1

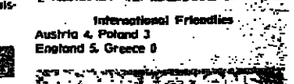
First Period—1, New York, Messier 7, 1:13.
Second Period—None.
Third Period—2, New York, Nemchinov 2 (Leetch, Noonan), :47. 3, New York, Anderson 1, 6:11. 4, New York, Graves 8 (Leetch, Messier), 8:38 (pp).

Shots on goal—New Jersey 5-6-5—16. New York 11-14-16—41; goalies—New Jersey, Brodeur, Terreri. New York, Richter.

WORLD TEAM CUP
In Duesseldorf, Germany
Red Group
Spain 2, Czech Republic 0: Sergi Bruguera, Spain, def. Petr Korda, Czech Republic, 6-4, 6-1; Carlos Costa, Spain, def. Karel Novacek, 6-1 6-4.
Sweden 2, Australia 0: Stefan Edberg, Sweden, def. Wally Masur, Australia, 6-2, 7-6 (10-8); Magnus Gustafsson, Sweden, def. Mark Woodforde, Australia, 4-6 7-6 (7-0) 6-4.



International Friendlies
Austria 4, Poland 3
England 5, Greece 0



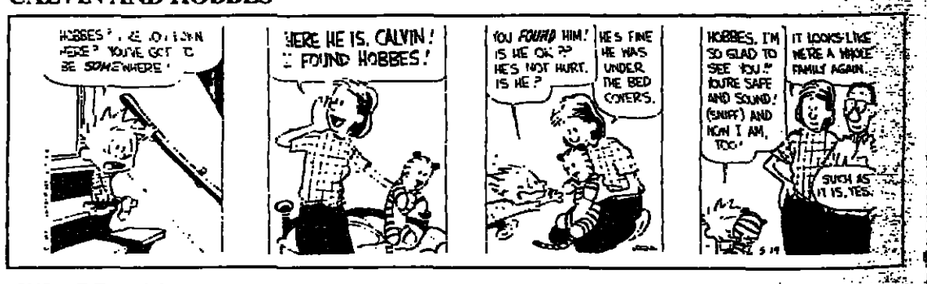
BASEBALL
American League
CALIFORNIA—Fired Buck Rodgers, manager. Named Marcel Lachemann manager and Joe Maddon bullpen coach.
CLEVELAND—Traded Tom Kramer, pitcher, to Cincinnati for John Hrusovsky, pitcher. Assigned Hrusovsky to Canton-Akron of EL. Joel Skinner, catcher, retired and was named minor-league instructor.

DENNIS THE MENACE

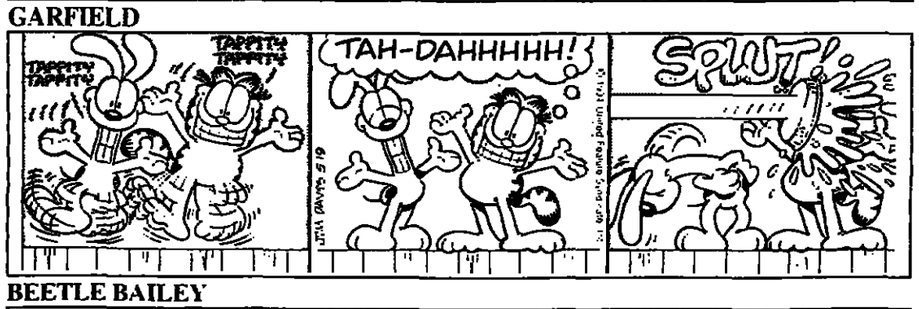
"MOM WANTS TO GO TO A SLOW-FOOD JOINT."

PEANUTS

CALVIN AND HOBBES

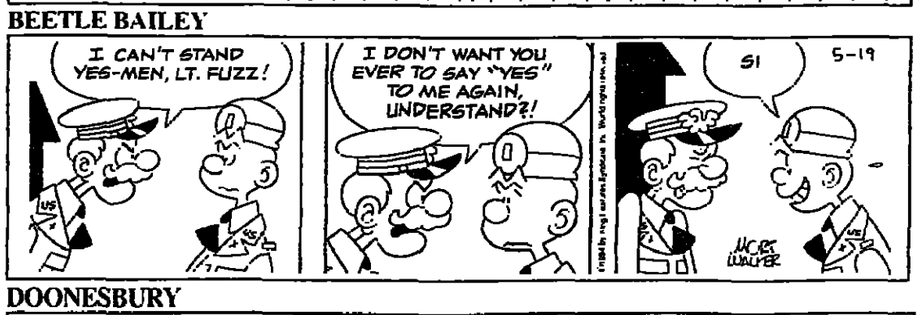


GARFIELD



WIZARD of ID

BEETLE BAILEY



THE FAR SIDE

"Boy, Henry ... he really can do you!"

BLONDIE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

THACC
NEKIF
DIMPER
NAILET

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: (Answers tomorrow)

Yesterday's Jumbles: PRONE ENJOY ADMIRE EYEFUL
Answer: What the newlyweds called their first trip — A "JOY" RIDE

SPORTS

Nuggets Beat Jazz To Stay Alive Again

The Associated Press

The Denver Nuggets staved off elimination for the fifth time in the playoffs, defeating the Utah Jazz, 109-101, on Tuesday night in double overtime in Salt Lake City.

Brian Williams had 19 points, including a dunk to give Denver the lead for good in the second overtime. It was Denver's third overtime victory in 10 playoff games and its fifth straight success in a must-win situation.

NBA PLAYOFFS

Bryant Stith and Mahmoud Abdul-Rauf scored 22 points each, and Robert Pack had 19 as the Nuggets trimmed Utah's advantage in the four-of-seven-game series to 3-2. No team has ever won an NBA playoff series after trailing by 3-0.

The game was tied, 87-87, at the end of regulation and at 94-94 after one extra period before Williams's jam off a pass from Pack sparked a 7-0 run that gave the Nuggets a 101-94 lead with 2:27 left.

The Jazz trimmed that to 103-99 on Tyrone Corbin's 3-pointer with 52 seconds left, but got no closer.

The Nuggets, making their first conference semifinal appearance since 1988, will be the host for Game 6 on Thursday. If necessary, Game 7 would be in Salt Lake City on Saturday.

Karl Malone, who fouled out midway through the first overtime, finished with 22 points after scoring only three in the first half. John Stockton had 18 points and 13 assists while Corbin scored 17 for the Jazz, who failed to find an offensive weapon after Malone left.

Hawks 88, Pacers 76: In Atlanta, Mookie Blaylock had his second triple-double of the series and Craig Ehlo came off the bench to score 22 points, keeping Atlanta alive in the Eastern Conference semifinals.

The Hawks cut Indiana's lead in the four-of-seven-game series to 3-2, with Game 6 set for Thursday night at Indianapolis.

Blaylock had 14 points, 13 assists and 10 rebounds, and Danny Manning added 20 points for the Hawks, who pulled away late in the fourth quarter.

Reggie Miller led the Pacers with 22 points, including five 3-point baskets, and Derrick McKey added 20, but Indiana was frustrated by Atlanta's tight defense and shot only 35 percent from the field.

The Hawks, meanwhile, made just 13 of 25 foul shots but held Indiana scoreless in the final 2:39.

The Pacers twice built five-point leads in the first half, the last at 37-32 on a pair of free throws by Antonio Davis with 4:06 left.

Blaylock then led a Hawks comeback, hitting a 3-pointer and converting a steal into a layup in the final minute to lead Atlanta to a 47-41 halftime lead.

Indiana opened the second half with a 7-0 run on two baskets by Miller, one a 3-pointer, and an 18-footer by McKey for a 48-47 lead. Ehlo followed with a 3-pointer for the Hawks before Miller's 20-footer tied it at 50-50.

Manning's two free throws, a driving layup by Ehlo and a 3-pointer by Ehlo gave Atlanta a 57-50 lead with 7:49 left in the third, and after that the Pacers were never able to catch up.

Rockets 109, Suns 86: In Houston, the Rockets, dominating from the opening tip, opened a 21-point halftime lead and added to it in the second half for an easy victory over the Suns and a 3-2 lead in the series.

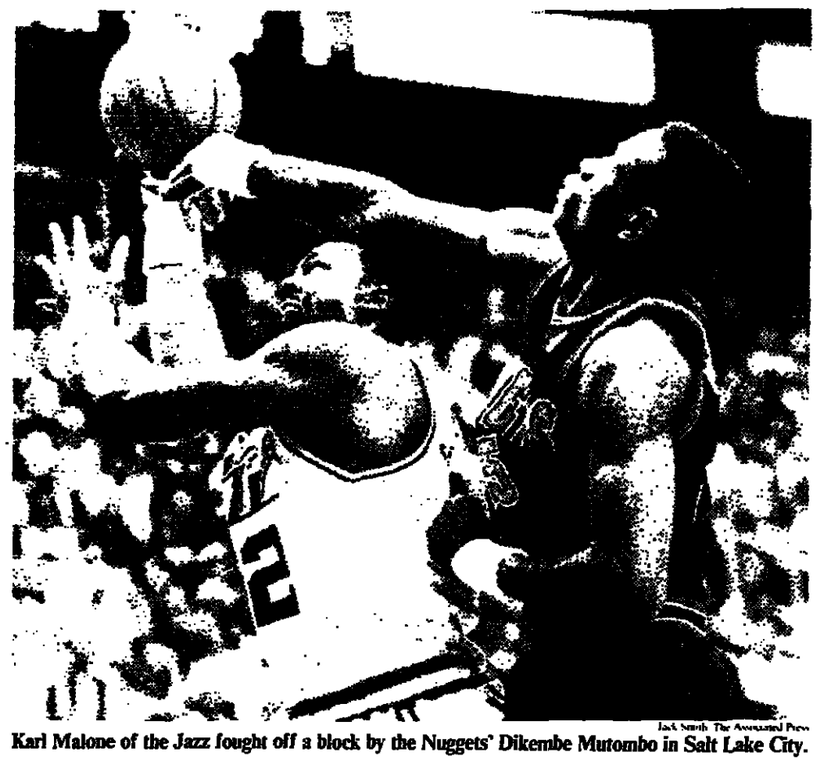
Game 6 in the Western Conference semifinal playoff series is Thursday night in Phoenix. Game 7 would be Saturday in Houston.

Hakeem Olajuwon and Otis Thorpe each scored 20 points and Kenny Smith had 16 for Houston, which finally shut down Kevin Johnson and won its third straight game.

Houston's knockout punch came early. The Rockets had a pair of early 9-0 spurts, the second of which gave them a 27-13 lead in the first quarter. They did not let up in the second period, opening the quarter with a 10-1 run en route to a 58-37 halftime lead.

The Rockets were running and hitting from inside and outside, and the Suns could not keep pace. Charles Barkley, stretching his aching back during timeouts, scored 20 points in the first half. He finished with 30 and sat out much of the fourth quarter.

Olajuwon and Thorpe each scored 11 points in the third period and the Rockets took an 87-61 lead into the fourth. Houston opened a 32-point lead with 9:09 to go at 95-63.



Jack Smith/The Associated Press

Karl Malone of the Jazz fought off a block by the Nuggets' Dikembe Mutombo in Salt Lake City.

AC Milan Wins Champions' Cup, 4-0

By Ian Thomsen
International Herald Tribune

ATHENS — To read the mind of Bernard Tapie this morning: *What the . . .*

Everything known by the Marseille owner to be true one year ago has now thoroughly and finally been abolished, for AC Milan on Wednesday night beat FC Barcelona, 4-0, in the European Champions' Cup final at the Olympic Stadium.

In this same final one year ago, Marseille was upsetting this very same Milan, 1-0, which Tapie took to mean that he had outsmarted his European rival, the Milan owner Silvio Berlusconi. One year later and Tapie is thoroughly discredited, accused of, punished for and debt-ridden by a match-fixing scandal in France. As for Berlusconi, he is only the prime minister of Italy. But everyone knows that.

As prime minister, he must remain officially distant from the team, but that shouldn't prevent him from accepting the credit that he wasted his millions trying to buy last year. What was the greatest team ever assembled last year (a loser) was converted into a cautious and defensive side this year (a winner).

Perhaps it won so magnificently not in spite of, but because, more of its greatest names had been shorn for this game — the defenders Franco Baresi and Alessandro Costacurta by yellow cards, Stefano Eranio by injury. Milan happily pushed forward rather than risk staying in its own end, where those losses might be magnified and exploited. So it became the attacking team it rarely was this season, the attacking team it was supposed to have been a year ago.

The attacking team on this night was supposed to be Barcelona.

In little time the most dynamic player was shown to be Dejan Savicevic, thoroughly obscured by more charismatic names on Milan last season. His pirouettes and fly-bys frightened Barcelona immediately, and the Spaniards never knew what to do with him until they started hacking him down early in the second half, but by then it was 3-0 and Barcelona's manager, Johan Cruyff, was still shaking his head at this sight from the 47th minute — of Savicevic chesting the defender Jose Guardiola off of a soft, high ball, then pivoting to lob it in from just outside the left corner of the box. It dropped below the cross bar and above the mispositioned and lunging goaltender Andoni Zubizarreta like a coin into a piggy bank.

That game was just reward for everyone who never had their chance last year. After Barcelona had regained some of its balance in the first 10 minutes, the game took on the pace of wonderful basketball (i.e., not the kind played in Europe).

Savicevic has a wonderful sense of justice. In the 20th minute, Savicevic was sent forward by Zvonimir Boban: He spun around Miguel Angel Nadal and was suddenly into the box with Zubizarreta diving at his feet. Just before impact Savicevic was sliding to get what appeared to be a hopeless, desperate shot.

But he got it off, all right, and it wasn't a shot. It was a smart bomb that curled directly to none other than the striker Daniele Massaro, Milan's leading scorer this year and its most useless player exactly one year ago, when he failed to seize victory for Milan while Marco van Basten hobbled with his perennially bad ankle and Jean-Pierre Papin bit his fist waiting to get in.

Anyway, Massaro put that one into the open goal just as he would in the final minute of the half. Savicevic danced through Barcelona down the left side until there was no more field to conquer. So he made a U-turn in the box and crossed to Massaro, who was as ruthless with his second goal as his teammate was beautiful.

After the third goal the English referee, Don Philip, was handing out yellow cards as if they were flyers on a streetcorner. The Barcelona defender Alberto Ferrer earned one for taking down Savicevic, who quickly earned his revenge by making Ferrer feel like the door of a telephone booth. As the resulting shot — a sure goal — bounced off the right post, Savicevic was just releasing his curly hair from his hands when he noticed Marcel Desailly riding in from the left side, alone, with the sloppy clearance. Tapie will recall Desailly as a key player for Marseille last year, sold to Milan this season in an attempt to recover financially from the French scandal.

All night Desailly had watched Savicevic's back, reading everything, and preaching that nothing shall pass. He was as strong as the other was nimble, and his point-blank goal in the 58th minute seemed to rustle the goalkeeper's hair as it whizzed past his left shoulder.

In the final minutes, Papin appeared on the sideline in street clothes: A luxurious member of last year's Dream Team, he could not even earn a place on the bench this year, and next season he will play in Germany. But he was celebrating, as were Baresi and the others: Milan's coach, Fabio Capello, raised his arms, for with his first Champions' Cup (Milan's fifth overall) he had escaped the shadow of Arrigo Sacchi's champagne football of 1989 and 1990; and the people were chanting: Berlusconi, Berlusconi, which made you think, it really is amazing, how much can change in one short year.

Ruth Blaha/The Associated Press

Barcelona's José Maria Bakero and Milan's Demetrio Albertini fighting for the ball during the Champions' Cup final in Athens.

America Turns to a New Bicycling Prince

By Samuel Abt
International Herald Tribune

WINSTON-SALEM, North Carolina — Somewhere on the Tour DuPont's long road from Wilmington, Delaware, to Winston-Salem, North Carolina, the public changed sides, crossing over from Greg LeMond to Lance Armstrong.

The next era in American bicycle racing edges closer. It may be a few months too early for anybody to cry, "The king is dead, long live the king" — the Tour de France in July should help determine how true that is — but for now the 22-year-old Armstrong ranks no lower than prince regent. He's the fellow who rules during the absence or infirmity of the nominal sovereign.

How infirm LeMond, 32, is remains a question.

"I'm feeling good, I think I'm getting it back," he insisted in an interview early in the Tour DuPont, which ended in the hushpuppy belt of North Carolina on Sunday. His allergies were under control, LeMond added, and his chronic fatigue was lessened.

But there was no question about his absence. The three-time winner of the Tour de France was never a player during the DuPont: 22d place overall, laggard finishes in both time trials and struggles in the mountains. At the end, he was 10 minutes, 39 seconds behind the winner, Slava Ekimov of the WordPerfect team.

LeMond's only consolation, he said, was that "maybe this is a good sign because I've always done well in the Tour de France when I've done badly in the DuPont."

And vice versa. He has not done well in the Tour de France, or any other race, since 1992, when he won the DuPont. People are beginning to notice even in the United States, where professional bicycle racing attracts scant attention.

When the 12-day DuPont began in Wilmington on May 4, LeMond monopolized fan interest. At the short prologue to the race, Armstrong went barely noticed in his rainbow-striped jersey of the world road race champion as he pedaled to the start, passing the team car in which LeMond awaited his turn.

The car was surrounded by spectators, many of them carrying cameras and some of them carrying children. Everybody wanted a memory of LeMond. As he moved to the start line, the streets of Wilmington rang with cheers, which were renewed when LeMond finished fifth in the prologue.

Armstrong, meanwhile, was 25th on a cold and rainy evening.

"I rode like a grandma," he admitted ruefully, meaning he had been far too cautious about crashing on a stretch of wet cobblestones.

A few days later Armstrong rode better, finishing third in a demanding time trial over two big climbs.

"It was tough," he said, "but I was able to push myself and it felt good to push myself."

LeMond lost more than 4 minutes on that stage and said he had been shocked at its difficulty. He slid far down the standings and remained there.

They love a winner in the United States, or at least a contender. The public turned out in gratifying numbers at the sides of the DuPont's many roads through Virginia and North Carolina and at its daily small-town starts and finishes. What these fans read about in their newspapers and saw on their television was no longer LeMond but Armstrong, and their allegiance shifted from one American to the other.

The script was perfect for people who turned out to cheer "USA, USA" as the pack went by: Armstrong, a Texan, working to overtake Ekimov, a Russian. This typecasting became even more pointed as Ekimov stayed on Armstrong's rear wheel and rode defensively, refusing to attack but following each attack by his rival.

The public didn't know it but that is the way races are won.

"To say it doesn't bother me, I'd be lying," Armstrong said. "But that's just the way the sport is."

Tell that to newspapers and television more accustomed to reporting on stock car racing: The daily theme became Ekimov as a somehow unfair shadow of Armstrong's.

"The guy in second place," said Armstrong, referring to himself, "looks like the champion now, he looks like the fighter, he looks like the guy who deserves to win. And the guy in the leadership role, he looks like he's just sucking wheel."

If the first part of the DuPont had belonged to LeMond, the second part, when the real racing began, belonged to Armstrong. After all, he was the contender.

In the mornings, when fans are allowed to wander the staging area and ask the riders for autographs, it was Armstrong's team car that was surrounded. Although LeMond continued to attract the public, too, it was obvious who won the loudest cheers at the daily sign-in and introduction.

Armstrong ended his race by holding on to second place, 1:24 behind Ekimov, with a good performance in the time trial into Winston-Salem.

"I'm disappointed, I'm not overly happy," he said, to finish second two years in a row. Armstrong promised to be back to try for victory in the DuPont next year.

"I'm still young and inconsistent," he admitted. "I'm moving up in the ranks. I can get better."

LeMond? He too can get better, and has to do it soon.

SIDELINES

A Perfect Game Is Pitched in Japan

TOKYO (AP) — Hiromi Makihara pitched Japanese professional baseball's first perfect game in 16 years as the Central League's front-running Yomiuri Giants shut out the Hiroshima Toyo Carp, 6-0, at Fukuoka Dome on Wednesday.

Makihara did not allow a single batter to reach first base as he struck out seven and walked none. He threw 102 pitches. The 30-year-old Makihara, 4-1 this season, was the 15th pitcher to accomplish the feat in Japanese professional baseball history and the eighth in the Central League.

For the Record

The England rugby team began its tour of South Africa by losing, 22-11, to the Orange Free State provincial side Wednesday. With a lineup of mostly second-string players, England held a 6-5 lead at the half thanks to two penalties by flyhalf Stuart Barnes. But the South Africans scored three tries to one by the visitors in the second half. *(AP)*

The Austrian driver Karl Wendlinger is being brought out of an artificial coma by his doctors in Nice, his Formula One team said Wednesday. "Wendlinger is being awakened slowly over several days by reducing his medications," the statement said. "He is scanned at intervals." Wendlinger suffered severe head injuries in a crash during warm-ups for the Monaco Grand Prix last Thursday. *(AP)*

A soccer referee was killed in Algeria when a player punched him in the temple after being expelled from a game between Ain Boudinar and Stidia, Algerian radio reported. *(AP)*

ART BUCHWALD

The Terminator Vote

WASHINGTON — The close House of Representatives' vote to ban assault weapons by 216 to 214 was a *major defeat for the* National Rifle Association and a super victory for every hospital emergency room in the country.

The majority of Democrats voted *for the ban, and the majority of* Republicans voted against it. This division along political lines has the pundits very puzzled.


Buchwald

We were all sitting around a table at the National Pundits Club trying to figure out why the final vote went the way it did.

"Is it possible that when it comes *to bullets the Republicans have* thicker skins?" Sandy Lawson asked.

Marc Shepard didn't think that this was the case.

Marc felt that the Republicans did not need the ban because they could afford to wear bulletproof tuxedos.

"I know one Republican who says that instead of wasting our money *banning assault guns* we should use it to build more golf courses for white-collar criminals."

□

Congressman Bill Topercer told *us: "Once you start dictating which* assault weapons can be sold and which ones can't be, the next thing the government will do is tax us for *shooting ourselves in the foot. Our* forefathers had the Republicans in mind when they wrote that every citizen was entitled to have an assault gun to defend his home, his *summer home and his country* club."

"The truth of the matter is," said Sandy Lawson, "that Republicans have closer ties to the National Rifle Association because they eat in the same restaurants and exchange fruit cakes and wild venison with each other at Christmas time."

Barry Shanoff told the group: "Representative Ratnick informed me that the National Rifle Association lobbyists are the only real friends he has. One time he was stuck in the snow in West Virginia and they sent out a 155-millimeter *artillery piece to guard his car until* it was pulled out of the drift."

□

All the pundits agreed that the NRA didn't care if you were a Republican or a Democrat as long as you voted with your head instead of your heart.

I am still not certain if any of the reasons expressed by my fellow pundits made sense.

I telephoned one of the Republican support groups to see if they could give me the answer.

I said, "I'm calling about the assault gun bill."

"Shoot," he said.

"Why were so many Republicans against banning the weapons?"

"Because we believe in prayer in school. As long as you have prayer in school you don't have to worry about assault weapons in the classroom."

"Are you sorry you lost?" I asked.

"Nobody likes to lose when it comes to banning assault weapons, but there is no reason we can't come back next year and add new weapons to be sold. This country cannot survive with the number of guns now on the market. On Election Day the congressmen who voted for the ban will have to answer to a higher being than the House of Representatives."

"Who's that?"

"Charlton Heston."

Lauren Fined In Tuxedo Case

Agence France-Presse

PARIS — The American fashion designer Ralph Lauren was fined 2 million francs ($350,000) by the Paris Tribunal de Commerce on Wednesday for copying a tuxedo dress by Yves Saint Laurent.

At the same time, Ralph Lauren was awarded 500,000 francs in dam*ages and interest in a defamation* action he had brought against Pierre Bergé, head of the YSL couture business, for remarks that appeared in Women's Wear Daily.

In addition to the 2 million francs awarded to the YSL couture business, Rive Gauche, the ready-to-wear arm of the fashion empire, will receive 200,000 francs in damages.

A Trip Into the 'Woodshed' With Dr John

By Mike Zwerin
International Herald Tribune

PARIS — "Woodshed" means to practice or rehearse, shed for short. Malcolm (Mac) Rebennack a/k/a Dr John spends as much time as possible shedding with his band because it "builds self-esteem and I feel good about life." Joints and concert halls alike are all just sheds as far as he's concerned.

Rebennack considers being paid for shedding a sort of bonus. Studio work can be creative in its way, but producers, arrangers and engineers keep "putting in their two cents," and a horn section accompanying you through earphones leaves much to be desired. He's interested in making real-time music that "ain't goin' on no tape. It's just *goin'*. It's comin' *through* you. That's the best feelin' in the *world. If you don't get happy doin' that* you're doin' somethin' wrong."

"My band plays a little bit of everything . . . " Let's stop dropping his Gs, you get the idea. Rebennack's thick Delta accent (he was born in New Orleans in 1941) could use subtitles. " . . . Our road book has 120 songs, from Horace Silver tunes to my stuff and tunes that sound good with three horns." They worked in Germany somewhere (he forgets exactly) last night, play Barcelona tomorrow night and (he thinks) Switzerland the night after that. Good thing he can afford a good road manager.

Dr John (once suffixed by "The Night *Tripper*") has *accumulated* a wide assortment of cult followers by exploring Creole jambalaya, Cajun conceptualism, ragtime, the blues, funk, jazz, barrelhouse and boogie-woogie. There was a short spell with Frank Zappa: "I couldn't figure out what was happening. Frank was too freaky for me." Too freaky for Dr John would appear to be freaky indeed.

Any way you look at it, he has played key roles in so many styles you wonder what he considers himself.

"I'm a musician," he proclaims more than replies. Followed by a prayer more than an afterthought: "I hope."

He began his career as a baby-face on Ivory Soap boxes (*his mother* was a model). A large, bearded man who wears a beret, carries an elegant cane and occupies more than his own space, his singing voice resembles him. He writes songs with lines like, "I'm a Berkeley student in the John Birch Society."

After some preteen hanging out in his father's "race record" (a style now called Urban Contemporary) studio, he learned the guitar from Walter (Papoose) Nelson, and he played the piano with his mentor Professor Longhair. Rebennack became one of the rare white musicians on the black New Orleans session scene. He led a band for the white teen pop star Frankie Ford and wrote "*What's Goin' On?*" for Art Neville. He recorded for small labels with names like Ebb, Ace, Ric and Ron, several of which collapsed, and there was some sort of shooting incident involving a promoter. It was time for Mac Rebennack to get out of Dodge.


Christian Rose

Mac Rebennack: "If you don't get happy you're doin' somethin' wrong."

In Los Angeles, he recorded with the likes of Sonny and Cher, Mick Jagger and Eric Clapton were guests on his album "The Sun Moon and Herbs," and he played on The Band's "The Last Waltz." It's hard to find a musician of any stripe who doesn't respect Dr John. The industry calls him a "major roots artist" and, according to Down Beat magazine, he is a "serious master of the New Orleans piano tradition."

That tradition, like most other American traditions, has by now moved out of its traditional home. It is easier and cheaper to record his band in New York than to bring *the engineer and all the equipment down to* New Orleans, which, although it's still his home, is not what it used to be: "When Jim Garrison became district attorney he chopped down all those clubs, the joints that made their money with the gambling upstairs; with narcotics and prostitution. O. K., it's true, everything was bootleg, but the first ones he shut down were the places the cats went for jam sessions. He killed that whole thing. He tore down all them strips except Bourbon Street, where nobody except tourists ever wanted to go. And now all the local places for local people are just. . . . well, history. Gone. It bothers me. New Orleans used to be so funky."

To explain the title of his recently completed memoir, "Under Hoodoo Moon," he says: " 'Hoodoo' is a corruption of voodoo, like everything in New Orleans is corrupt." Apparently it's also corrupted his use of language — witness "Shut D Fonk Up," the title of a track on his new album, "Television" (GRP).

He says he was only trying to be "a little rappy. That's the way kids talk today." So it's a sort of second-level comment on American society. His use of drum machines was on the same level. He twirled the knobs whenever he *felt like it, to bend* saxophone notes for example. The engineer said the machine is supposed to be programmed in advance, but Rebennack "was just having some kicks." He's aware *that his irreverent attitude toward technology* is probably considered "obsolete" by the people who consider themselves "happening." But he'll "have fun being obsolete and they can have fun doing whatever they're doing."

His record company describes the album as a "follow-up to 1992's 'Goin' Back to New Orleans,' which won a Grammy. 'Television' features more of the same exuberant piano tinkling, infectious good-time grooves and gravelly wit *that has* made Dr John a true New Orleans icon."

Kicks have been Dr John's principal currency, a means of exchange which, however, is too easily devalued: "There are songs I wrote that don't even have my name on them. And if it is there, it's with three other guys didn't have nothing to do with it — the manager, the disk jockey, the leader, whoever. Lots of times I didn't even have a contract. One contract I signed had a big fat 'zero' after 'rate of royalty.' You believe that? I thought you got your royalties on the sheet music. Now with electronics and all, they don't even hardly print sheet music any more. I've always just gone along with what happens to me. I didn't look at business. I was always doing this instead of that."

His "freaky" image resembles that of Zappa — just that, image. Along with recording for what he proudly refers to as "rum-dum record companies" with little-known down-home friends of his, he has done his share of lucrative commercial jingles for the likes of Popeye's Chicken. He helped produce a television special *documenting the 20th birthday of People maga*zine. He can't remember many of the products he's hawked because "by the time I learn the tune we done did it, the session's over." He'll play jingles for the money but they don't pay him to remember them.

Right now he's "trying to book up" a tribute to Doc Pomus album with Bob Dylan. And Liza Minnelli "called about doing something together. It sure would be a kick going into the woodshed with her."

Dr John: Thursday, Hannover; Friday, Berlin; Saturday, Vienna; Wednesday, London.

PEOPLE

Patti LuPone Rides Off Out of the 'Sunset'

Patti LuPone and **Andrew Lloyd Webber** have reached a settlement in their dispute over the performer's contract to appear in the Broadway production of "Sunset Boulevard." Details of the agreement were not released, but there has been speculation that it might cost the composer $1 million or more to buy LuPone out of her contract. LuPone was replaced in February by **Glenn Close** as the star of the Broadway production, which is to open in November.

□

Unlike the stars of "Dynasty," Washington's Haft family has settled its bitter business feud in a closed courtroom. The family patriarch, **Herbert H. Haft**, *and his son*, **Ronald**, will pay Herbert's wife, **Gloria Haft**, and Herbert and Gloria Haft's other two children, **Robert M.** and **Linda Haft**, an undisclosed *sum* for a large part of their interests in the Haft family real estate and retail fortune, according to sources close to the negotiations. The family's assets are estimated to be worth $500 million to $1 billion.

□

Princess Diana spends £3,000 ($4,500) a week of her estranged husband's money living the highlife according to press reports. A number of British tabloids reported that **Prince Charles** was furious when he came across a tab of £160,000 (for a year) for Diana's clothing, casual wear for their sons, her alternative *therapy treatments*, makeup, hairdressing, gifts and travel. Buckingham Palace dismissed the reports as "just gossip." . . . Charles signed a contract in St. Petersburg for his Business Leaders Forum to publish and help preserve the 170-year-old manuscripts of the poet **Alexander Pushkin**.

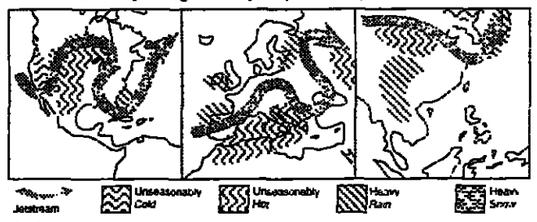
□

A London magistrate has jailed the **Marquess of Blandford**, heir of the 11th **Duke of Marlborough**, for three weeks, after he showed up nearly four hours late for a court appearance. Blandford, 38, pleaded guilty last month to stealing a checkbook and check forgery, and had been due to be sentenced.

INTERNATIONAL CLASSIFIED
Appears on Pages 4 & 17

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather.



North America

Orlando to Savannah, Ga., will have cool, wet weather Friday into the coming weekend. Washington, D.C. to Boston will be dry with a gradual warming trend. Hot weather will extend northward from Dallas through Minneapolis and Winnipeg. Cool weather and scattered rains will invade the Rockies.

Europe

South-central Europe, including Rome and Athens, will be dry and warm Friday into the weekend. A cool rain will soak St. Petersburg. Moscow will turn cooler over the weekend with a few showers. This weekend will be milder from London to Paris with periods of rain Saturday.

Asia

Scattered showers and thunderstorms will occur in Japan, including the Tokyo area, this weekend. Cooler weather will overspread northeastern China. Central China, including Beijing, will turn much warmer this weekend. Thunderstorms will shift northward from Myanmar to south-central China.

Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algarve	18/64	13/55	pc	22/71	14/57	pc
Amsterdam	18/64	8/46	pc	19/66	11/52	pc
Ankara	31/88	12/53	s	28/82	13/55	t
Athens	26/82	14/57	t	24/75	13/55	pc
Barcelona	22/71	16/61	pc	23/73	16/61	pc
Belgrade	26/79	14/57	t	27/80	14/57	s
Berlin	24/75	15/59	r	22/71	10/50	c
Brussels	19/66	9/48	pc	20/68	9/48	sh
Budapest	27/80	14/57	t	24/75	13/55	pc
Copenhagen	17/62	10/50	pc	18/64	8/46	sh
Costa Del Sol	22/71	16/61	pc	24/75	17/62	s
Dublin	13/55	7/44	sh	16/61	7/44	sh
Edinburgh	12/53	7/44	pc	13/55	8/46	pc
Florence	22/71	13/55	sh	25/77	13/55	s
Frankfurt	18/64	11/52	sh	20/68	9/48	pc
Geneva	19/66	11/52	sh	21/70	11/52	pc
Helsinki	13/55	3/37	pc	14/57	4/39	r
Istanbul	29/84	14/57	s	26/79	16/61	t
Las Palmas	24/75	17/62	s	24/75	18/64	pc
Lisbon	17/62	13/55	sh	20/68	14/57	pc
London	17/62	9/48	pc	18/64	9/48	sh
Madrid	19/66	12/53	sh	24/75	11/52	pc
Milan	23/73	14/57	sh	21/70	13/55	pc
Moscow	20/68	14/57	sh	21/70	14/57	t
Munich	20/64	12/53	t	21/70	9/48	pc
Nice	21/70	14/57	pc	22/71	13/55	pc
Oslo	14/57	3/37	pc	17/62	5/41	pc
Palma	20/68	18/64	pc	22/71	17/62	pc
Paris	21/70	11/52	pc	21/70	10/50	sh
Prague	24/75	13/55	r	23/73	9/48	pc
Reykjavik	9/48	3/37	pc	5/41	4/39	pc
Rome	22/71	11/52	sh	24/75	13/55	s
St Petersburg	13/55	1/31	pc	18/64	5/41	r
Stockholm	11/52	5/41	c	13/55	5/41	r
Strasbourg	21/70	11/52	sh	23/73	9/48	sh
Tallinn	14/57	4/39	pc	14/57	4/39	r
Venice	22/71	16/61	r	24/75	14/57	s
Vienna	25/77	14/57	t	22/71	12/53	pc
Warsaw	27/80	15/59	r	23/73	9/48	c
Zurich	21/70	12/53	t	23/73	9/48	pc

Oceania

Auckland	17/62	9/48	sh	16/61	9/48	sh
Sydney	20/68	11/52	pc	21/70	13/55	pc

Middle East

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Beirut	28/82	21/70	s	29/84	20/68	pc
Cairo	36/97	21/70	s	37/98	19/66	s
Damascus	31/88	16/61	s	33/91	16/61	s
Jerusalem	27/80	17/62	s	28/84	17/62	s
Luxor	40/104	21/70	s	44/111	22/71	s
Riyadh	38/100	23/73	s	40/104	23/73	s

Latin America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Buenos Aires	22/71	12/53	sh	19/66	11/52	pc
Caracas	31/88	21/70	pc	31/88	21/70	pc
Lima	21/70	17/62	s	21/70	17/62	pc
Mexico City	24/75	12/53	pc	26/79	12/53	t
Rio de Janeiro	26/79	20/68	pc	23/73	20/68	pc
Santiago	18/64	4/39	pc	19/66	4/39	s

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Bangkok	32/89	23/73	pc	33/91	24/75	pc
Beijing	31/88	18/64	s	26/79	12/53	t
Hong Kong	28/82	23/73	sh	28/82	24/75	pc
Manila	35/95	25/77	s	34/93	24/75	pc
New Delhi	43/109	29/84	s	44/111	29/84	s
Seoul	23/73	11/52	s	26/79	12/53	r
Shanghai	26/79	14/57	s	26/79	17/62	sh
Singapore	31/88	25/77	pc	33/91	23/73	t
Taipei	29/84	19/66	s	29/84	21/70	pc
Tokyo	18/64	7/44	s	19/66	12/53	s

Africa

Algiers	29/73	16/61	s	25/77	17/62	pc
Cape Town	18/64	8/46	s	16/61	6/43	pc
Casablanca	22/71	14/57	s	23/73	15/59	pc
Harare	21/70	9/48	pc	25/77	11/52	pc
Lagos	31/88	25/77	pc	31/88	26/79	t
Nairobi	21/70	11/52	pc	22/71	13/55	t
Tunis	24/75	12/53	s	24/75	17/62	s

North America

Anchorage	13/55	2/35	sh	14/57	4/39	pc
Atlanta	23/73	10/50	pc	26/79	13/55	s
Boston	12/53	6/43	sh	14/57	9/48	sh
Chicago	23/73	8/46	s	26/79	11/52	s
Denver	26/79	10/50	s	22/71	7/44	pc
Detroit	21/70	6/43	s	24/75	10/50	s
Honolulu	25/82	21/70	pc	28/82	22/71	pc
Houston	31/88	17/62	s	30/86	17/62	pc
Los Angeles	20/68	12/53	pc	23/73	14/57	pc
Miami	29/84	19/66	pc	31/88	21/70	pc
Minneapolis	27/80	15/59	s	25/77	12/53	pc
Montreal	17/62	9/48	sh	19/66	7/44	sh
Nassau	29/84	23/73	s	30/86	22/71	pc
New York	18/64	10/50	s	21/70	11/52	pc
Phoenix	37/98	18/64	s	39/91	19/66	s
San Francisco	17/62	11/52	c	19/66	9/48	pc
Seattle	19/66	10/50	c	13/64	9/48	sh
Toronto	18/64	11/52	pc	17/62	8/46	pc
Washington	20/68	9/48	s	22/71	10/50	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, fog, W-Weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1994

CROSSWORD

ACROSS

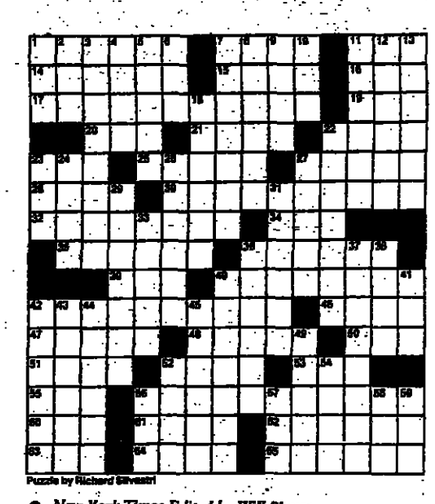
1 Symbol of stiffness
7 Brewing ingredient
11 Leave it to beavers
14 Julia, on "Seinfeld"
15 Mayberry moppet
16 Mistress Braun
17 "Walt 'Til My Bobby Gets Home" singer
19 Marshy area
20 Dockworkers' org.
21 Four laps, sometimes
22 A Sesame Streeter
23 X rating?
25 Sticker
27 Come to a halt
28 Patron saint of Norway
30 Co-star of "The Producers"
32 Government health program
34 "Hail, Caesar!"
35 Forge materials
36 Where Naxos is
39 Hard water?
40 Contest entry, perhaps
42 The Babe Ruth of Japan
46 Science writer Gernsback
47 *Ease up*
48 Hymn accompaniment
50 Record
51 Site of the 1960 Olympics
52 Ad writer's honor
53 Lend a hand
55 Cousin of Fortran
56 Former E Street Band member
60 Baseball throw
61 Working away
62 Bar perches
63 Journal addendum
64 Coolers
65 Lake Huron port

DOWN

1 It's seen in anger
2 According to
3 Tendenzing sauce
4 Brook
5 Hoopster Shaquille
6 Place to relax
7 "The *Misanthrope*" author
8 Harlem theater
9 As it occurs
10 Driving need
11 Trounce
12 *Disinclined*
13 Place for trophies
18 Barbecue leftovers
22 Implore
23 *Tabby's mate*
24 Kind of sch.
26 Rhododendron relative
27 Break the 10th Commandment
29 *Impair*
31 Warfield of "Night Court"
33 Secret supply
38 10[xx]
37 *Witch's vessel*
38 Therefore
40 They go by the book
41 Cerberus or Argus, e.g.
42 Ranchero's wrap
43 Homes
44 Vandalize
45 Arrive at last
49 1993 treaty
52 Give as a reference
54 Dr. Frankenstein's assistant
56 *Shut-eye*
57 C.I.A. forerunner
58 "Boola Boola" singer
59 Hush-hush D.C. grp.

Solution to Puzzle of May 18

C	R	A	F	T	S	■	E	D	R	E	D	■	■	■
T	H	O	R	E	A	U	■	R	E	A	D	E	R	■
H	A	N	D	S	U	P	■	M	E	R	I	N	O	S
U	P	D	O	S	■	P	R	I	M	E	T	I	M	E
D	E	E	R	■	A	L	A	N	■	D	O	Z	E	N
S	A	L	■	S	C	E	N	E	■	R	E	O	S	■
■	U	S	E	L	E	S	S	■	R	I	N	S	E	■
■	■	N	O	S	T	A	L	G	I	A	■	■	■	■
S	T	A	R	E	■	C	O	U	P	L	E	D	■	■
P	U	M	A	■	S	K	I	M	S	■	V	E	G	■
I	N	E	P	T	■	P	E	T	S	■	M	E	T	E
C	E	N	T	I	P	E	D	E	■	F	A	R	E	S
A	U	D	U	B	O	N	■	R	A	I	M	E	N	T
■	P	E	R	I	O	D	■	E	N	L	I	S	T	S
■	■	D	E	A	L	S	■	D	E	L	E	T	E	■


Puzzle by Richard Silvestri

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